

Nation's Business

A USEFUL LOOK AHEAD

JULY 1967

TOP EXECUTIVES FORECAST:

A FIRST BOUND COPY

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**IN SPITE OF
EVERYTHING...
BUSINESS
WILL PICK
UP**

PAGE 76

Unions' goal: King-size featherbeds
Get rid of that run-down feeling
How business helps customers

Total, tailored environmental control: that's the ideal goal in interior space planning today. The basic elements: lighting, air distribution, noise control, fire protection, appearance.

More and more, people are realizing that the ceiling is a contributing factor to this ideal environment. But what isn't so obvious is that the ceiling could—and probably should—be the *major* contributing factor.

One way to meet the goal: pick a good system for each of the environmental control functions and pull them together. But always, some sacrifice is inherent in this approach. Either in performance. Or in appearance. Or both.

That's what the Luminaire Ceiling System is all about. The functions came first. Then the system—a single, good-looking, easy-to-install package to house them all. Not only is each



A peek at the supermarket 30 years from now. In the shopping area, no merchandise (except for occasional "specials"), no personnel. On entering, the customer sets purchasing system in motion by inserting charge card in billing console. Selections are made at push-button viewer-console, automatically charged, and communicated to underground storage area. There, food is collected, wrapped, numbered, and moved by conveyor to parking area. Innovation like this? Soon. The ceiling? Here today.

function performed better this way, the potential economies are many.

Take illumination. With conventional ceilings, you have several choices. For instance, strip fixtures—efficient, but glary and far from attractive. Or recessed units—better looking and less glary, but not nearly as efficient or economical. These examples typify the sacrifices you make with conventional lighting systems.

With Luminaire, you get up to three times more reflective surface

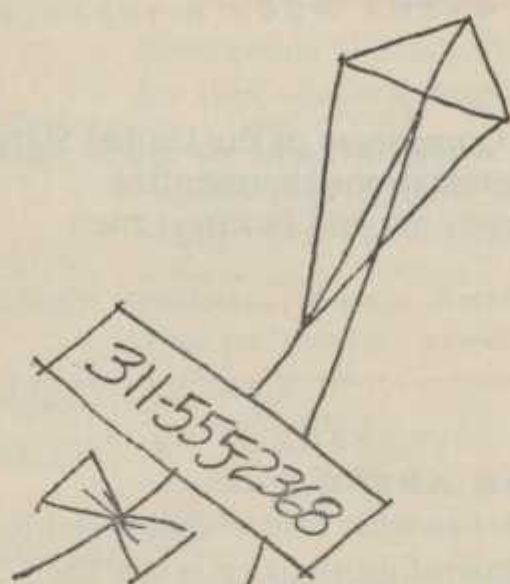
around each lamp than with recessed units. So whatever amount of light you need, Luminaire delivers it with fewer lamps. And that means lower initial lamp costs, lower replacement costs, fewer dollars spent on electricity. And since Luminaire's lamps are tucked up into its V-shaped modules, you get unusually comfortable lighting. No harsh glare. No distracting shadows.

As for air distribution, noise control, fire protection, and design advantages, each Luminaire function works hand in hand with every other to do the very best job possible. All the details are in our booklet "How to get more useful work out of a ceiling . . . and save money doing it." Write for it. Armstrong, 4207 Mercantile Street, Lancaster, Pa. 17604.

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Get your phone number up there where people can see it

On letterheads, brochures, purchase orders, invoices and in your advertising. Long Distance calling is the fast, efficient way to get things done... initiate and coordinate action, make sales, and place orders. Make it easy for that "important somebody" to call. Put your phone number where people will see it. (And don't forget your area code.)



AT&T
and Associated Companies

Nation's Business

July 1967 Vol. 55 No.7

Published by the Chamber of Commerce of the United States
The national federation of organizations representing
4,750,000 companies and professional and business men
Washington, D.C.

Trussell

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1967

**Move it,
lift it,
load it,
dig it,
mow it,
build it up,
or tear
it down**

Nobody offers as many man-savers

Would you spend 55 horsepower on a routine landscaping job? Not usually.

Would you do production loading with 36 hp? Not usually.

Nor would you mow with 45 hp, use a backhoe with 13 hp, or spend big power on a light blade.

But whatever the main work you want from a tractor, you do usually have a very specific horsepower need, don't you?

That's the very simple reason International Harvester makes 26 different tractors—to fit every possible horsepower need.

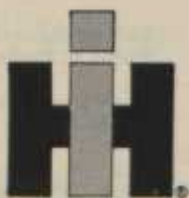
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WASHINGTON: A LOOK AHEAD

Now, after six months, what kind of Congress is this anyway?

What kind of laws will it pass?

Certainly little has been done so far. They've okayed plenty of money for defense, brushed up the draft law and restored the investment tax credit. But that's about it.

What about all the fightable issues? Democrats' promises? The Republicans' constructive alternatives?—"obstructive alternatives," the Demos call them.

It's first and foremost a frustrated Congress. Seemingly uncontrollable war continues in Viet Nam and turmoil still troubles the Middle East. Lawmakers don't know what the demands will be in money or any other terms. But they're not enough concerned to roll back the wave of new social legislation passed in last Congress, even though some are sure they went too far, spent too much.

They're worried about which way the economy is turning, if inflation is back, if money will get tighter, if crime in streets can be stopped, if taxes should be hiked, if any of the mass of legislation they've passed is really doing much good or really can be made to work on long puppet strings from Washington.

They feel confused, a lack of control as if they're adrift without a paddle. But they don't want to rock the boat.

Lawmakers are rightfully concerned over their image, too, feel like hanging their heads about the ethics gap in Congress.

"Everybody's voting his own district in the House," complains one White House aide. They're strictly looking out for themselves.

Gingerly approach so far doesn't mean legislative mill has stopped turning. Politics still courses through Congressional veins.

This isn't always best for business, which pays for most of the bills. And things could

get very costly before Congress leaves Washington this year.

Here's a rundown of major legislation still to come:

Higher taxes—Tax increases pain Congress. But if Johnson drapes a tax hike in the American flag, and calls it a war tax, it will go through—an individual and corporate boost. It will be argued that tax boost is needed also to stem red ink in the budget, fight inflation, avoid higher interest rates. But to most lawmakers it could only be sold as a war tax.

Social security—Definitely increases in benefits and taxes to pass this year. First the House version—mild compared to what Senate will come up with. If politics prevails, final compromise law could look something like this: Boosts of 13 per cent or higher average in payments, a payroll tax hike eventually to go to five per cent each from worker and company on new wage base of \$7,800. Medicare changes to make it easier for patients and maybe new coverage for disabled of any age. If medicare coverage is broadened, tax of 0.5% each on employer and employee would also have to rise.

Credit rate—So called truth-in-lending legislation would rule what you tell customers about cost of instalment purchases, loans and revolving credit accounts in both dollars and annual percentage rate charged, even though plenty of state laws already on the books. Too complicated and costly for retailers, lenders, it never got anywhere. But now Sen. Proxmire's measure would require only "approximate" credit rate. Looks as if it will pass Senate, maybe go through the House, too, this year, unless business can show its harm to our economy.

Consumer protection—Besides the credit rate bill, other proposals supposedly to guard consumers have been dumped into Congressional hopper at great rate. It's politics. Only so-

called consumer safety laws foreseen as passing this session are measure to set up National Commission on Product Safety and one to tighten rules for flammable fabrics.

Crime control—It's a gut issue for everybody. A tough bill, an expensive one—maybe climbing to \$1 billion a year—will likely pass. Maybe more than one law. But result could cut business losses, enlarge markets for anti-crime equipment.

Financing electric co-ops—Danger seems over this year for legislation to expand the financing of Rural Electrification Administration co-ops. REA co-ops, which get two per cent loans already, wanted more access to the kitty. But restrictions put on bill involving generating facilities turned them against it. Now nobody embraces the bill.

Interstate taxation—Proposal to help business operating in more than one state with problems of overlapping taxes will probably not get through this year.

Postal costs—Despite long hearings, rate raises probably will be rammed through by deficit-troubled White House near last of this session.

Pollution—Everybody is against pollution. Problem is it's a by-product of progress, an industrialized, motorized society. Another problem: How much is too much? Liveliest issue is measure to set limits for air pollution. Ad-

ministration wants nationwide standards, power for cease and desist orders for industries such as steel, coal, paper, others, thousand dollar a day fines. Senate Committee Chairman Randolph from coal-producing West Virginia, wants and will likely get state standards, more reasonable legislation. House may tone it down still more. Final passage probably not until election year '68. Business meantime may have solved much pollution with ingenious processes now under development, if Congress will only give it time.

Labor legislation—Measure to legalize secondary boycotts in building industry is bogging down. Known as common situs picketing, it would let employees striking a subcontractor shut down whole construction site. Most Congressmen now against adding another weapon to arsenal unions have already. Business helped them see the light. No wide-ranging antistrike legislation is in sight, however. Administration still tiptoes around this one, Congress, sidesteps, too. Can't make labor too mad with election next year.

Patents—Major overhaul of patent law is in progress. Big issue is over whether inventor who is first to invent should get patent—as now—or man who is first to file. It probably won't pass this year. Likely next session.

Civil rights—Some legislation could pass as part of an anti-riot bill.

MIDDLE EAST: A LOOK AHEAD

The hands of conservative Arabic leaders who put their trust in free enterprise and good relations with the West, instead of socialism and ties with the Soviet bloc, have been immeasurably strengthened by the Israeli victory over Gamal Abdel Nasser.

This is the judgment of Associate Editor Sterling G. Slappey who has just returned from the Middle East.

The newly strengthened leaders are King Faisal of Saudi Arabia who for years has been the sworn enemy of Nasser; President Habib Bourguiba of Tunisia against whom Nasser has plotted; King Hassan II of Morocco.

Future positions are less assured for King Hussein of Jordan and King Idris of Libya who cast their lot with Nasser. Their rabid Arab followers

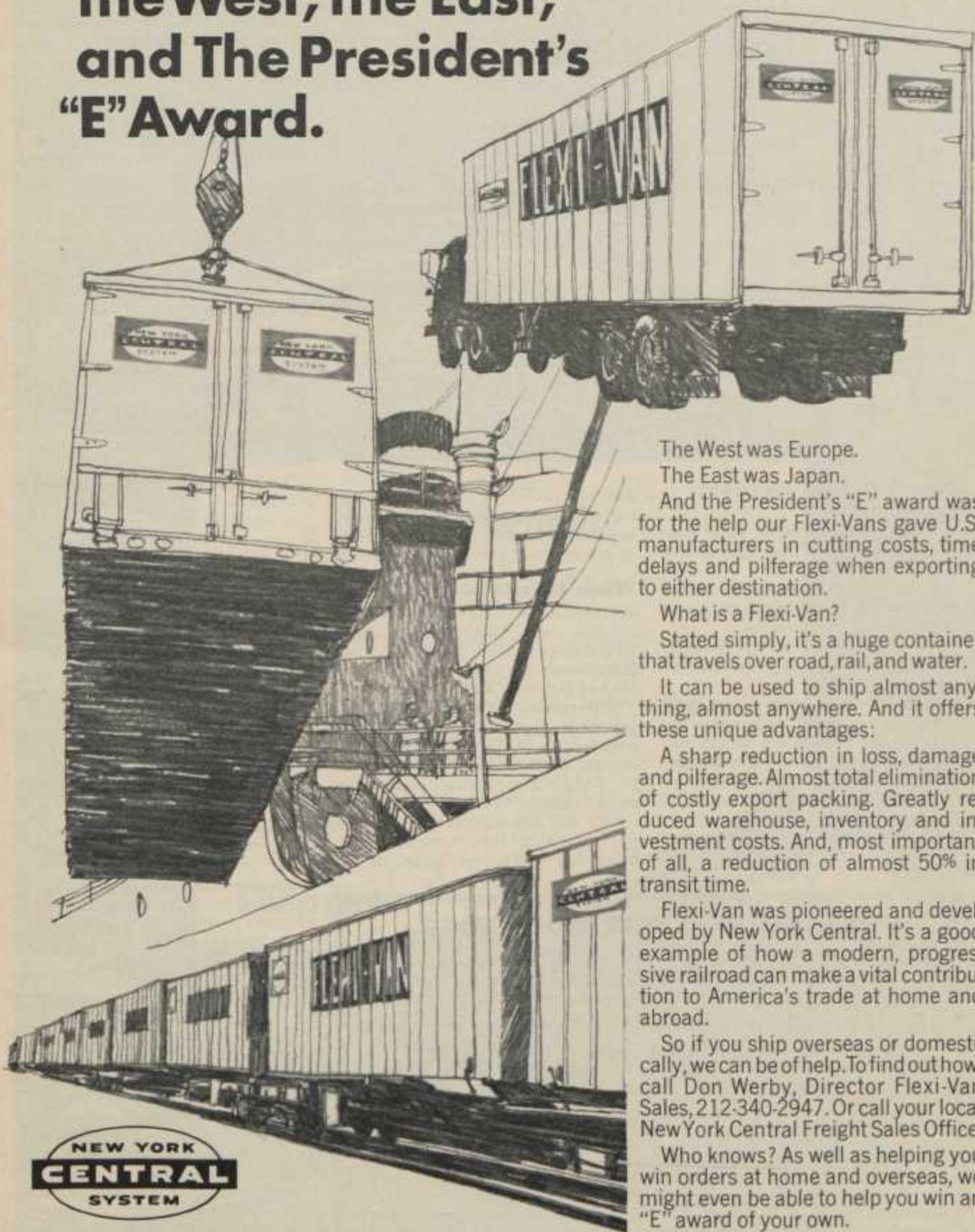
forced them to side with Nasser although they did not personally wish to. Nasser led them down the garden path just as he did the leaders of Lebanon, Algeria, Sudan, Syria, Iraq and some of the princely states along the Persian Gulf.

But Nasser had to try to defeat Israel or see his position as top Arab leader wither away.

He was hated by many other Arab leaders with an intensity only slightly less than their dislike of the Israelis. For example, King Faisal had contracted with the British for an expensive defense system including missiles. They were aimed against Nasser—not against the Israelis, 1,000 miles to the north.

Many Arabs are secretly elated that Nasser was nailed to the Nile. So are many other free world leaders.

The container that won the West, the East, and The President's "E" Award.



The West was Europe.

The East was Japan.

And the President's "E" award was for the help our Flexi-Vans gave U.S. manufacturers in cutting costs, time delays and pilferage when exporting to either destination.

What is a Flexi-Van?

Stated simply, it's a huge container that travels over road, rail, and water.

It can be used to ship almost anything, almost anywhere. And it offers these unique advantages:

A sharp reduction in loss, damage and pilferage. Almost total elimination of costly export packing. Greatly reduced warehouse, inventory and investment costs. And, most important of all, a reduction of almost 50% in transit time.

Flexi-Van was pioneered and developed by New York Central. It's a good example of how a modern, progressive railroad can make a vital contribution to America's trade at home and abroad.

So if you ship overseas or domestically, we can be of help. To find out how, call Don Werby, Director Flexi-Van Sales, 212-340-2947. Or call your local New York Central Freight Sales Office.

Who knows? As well as helping you win orders at home and overseas, we might even be able to help you win an "E" award of your own.

Injustice to business

To the Editor:

I glanced over Robert Kennedy's feature article, "Government Injustice to Business" [June], and discovered it's just a lot of words.

I'm surprised that NATION'S BUSINESS, representing business executives, would even publish an article of this sort.

I think most business firms consider him hostile to business.

His record as Attorney General certainly demonstrated it, as has his record so far as a United States Senator.

C. N. MONTANYE
President
Gettler-Montanye, Inc.
Glyndon, Md.

Congressional comment

To the Editor:

NATION'S BUSINESS is to be commended for "How Your Tax Money is Wasted" [May].

You have done an able job of highlighting waste in the executive departments and agencies.

But I find little attention given to remedial action by the President or Congress.

If your readers could direct their attention to some of the suggestions which have been made to cut unnecessary spending and mismanagement, perhaps they could urge appropriate action on the part of Congress.

CONGRESSMAN JACKSON E. BETTS
Eighth District, Ohio
Washington, D. C.

Not Westinghouse

To the Editor:

The June issue of Nation's Business carries a totally inaccurate statement damaging to the Westinghouse Electric Corporation.

In an article called "How Ethical Should Congress Be?", it is stated as fact that two former buyers for Westinghouse were charged with violating a law prohibiting the giving or receiving of gifts among holders of government contracts. The buyers referred to were not connected with Westinghouse.

DALE McFEATTERS
Vice President
Westinghouse Electric Corp.
Pittsburgh, Pa.

Editor's Note: Mr. McFeatters is entirely correct. NATION'S BUSINESS regrets the error, which was based on an incorrect press report.

When Ho miscalculates

To the Editor:

Let's keep Alden Sypher busy with more excellent writing on Viet Nam, such as "Of Grasshoppers, Ho and Bobby" [May].

Unfortunately, Bobby, Schlesinger, Sens, Hartke, Clark, et al., are not about to be dissuaded from their current position by what they read in NATION'S BUSINESS. Only Ho can accomplish that.

One day Ho will make a serious miscalculation that somehow will bring his dirty war home to all

Americans. Then the dissenters will awaken, as they have before, to the fact that this is part of the struggle for our survival.

DON KNIGHT
Managing Director
Pennsylvania Highway Information Association
Harrisburg, Pa.

Who bears the brunt?

To the Editor:

Your article, "Open Letter to Betty Furness" [May], is excellent.

However, you say "considering the fact that the government props up the prices of so many farm products, it's a wonder prices aren't higher than they are."

This implies that producers of food and fiber are obtaining high prices for their products because of favorable government action, and that the nonfarm business element has accomplished the magic necessary to keep prices low.

As a matter of fact, the processors and distributors are still making about the same profit margins that they have in the past, while the economic returns to the agricultural producers of food and fiber have lessened significantly.

Your efforts to orient Miss Betty Furness are a step in the right direction.

F. CLYDE LAMBERT
Owner
Flying L Ranch
Memphis, Tenn.

Farmers' share down

To the Editor:

"Open Letter to Betty Furness" certainly explodes the myth that food retailers and processors are responsible for higher food costs.

However, we were disappointed that the letter more or less implied that farmers are reaping the profits.

In most instances, farmers receive less for their products today than they did 10 to 15 years ago.

The farmer's share of the food dollar in 1966 was only 40 cents compared with 47 cents in 1952.

Higher labor costs and costs added in the preparation of convenience foods appear to be the principal causes of higher food costs.

O. W. FILLERUP
Executive Vice President
Council of California Growers
San Francisco, Calif.

Based on rights

To the Editor:

Your series on the American free enterprise economy is a laudable educational effort. Yet you seem apologetic by implying that many systems are feasible, but that the free capitalistic system is more productive than a statist system.

However, productiveness is a con-

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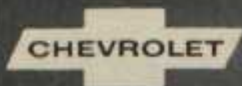
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Chevrolet



Get it out of your system



If keypunching is a major bottleneck in the smooth flow of data through your company, get it out of your system.

That's what the Oilwell Division of U.S. Steel did. With a little help from Friden.

Before Oilwell's computer could prepare an invoice, every branch office sales order had to be mailed to the home office for coding and keypunching.

The whole routine took a full week. FLEXOWRITER* automatic writing machine by Friden now does it in two days! One machine was installed in each of Oilwell's 85 branch offices. Now the original order is typed

with the help of edge-punched cards. Because these cards contain 90% of the data typed on the order, 90% of the finished order is *automatically* error free.

While the machine types out a priced order, it produces a punched tape containing all invoice information. The home office computer reads this tape directly and invoices are mailed within 48 hours of the sale.

Find out how little it will cost to get keypunching out of your system. Call your nearest Friden office. Or write Friden, Inc., San Leandro, Calif. 94577. Sales and service throughout the world.



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Business opinion:

sequence of a free economy, not its moral justification.

"Mixing bits of capitalism with socialism" is the result of considering capitalism to be practical, but socialism to be moral.

Laissez-faire capitalism is the only moral and rational economic system, because it is the only system based on individual rights.

RONALD R. WEMPEN, M.D.
San Antonio, Texas

Also tax experts

To the Editor:

In "Relax, It's Only a Tax Audit" [May], author S. Theodore Reiner says:

"It may be advisable to have a professional adviser (lawyer or CPA) handle the [tax] appeal."

It is difficult for us to understand how a former IRS attorney could fail to include Enrolled Federal Tax Accountants when he wrote about professional advisers.

They have the same rights, powers, privileges and ethical duties as lawyers or CPAs who are qualified to represent taxpayers before IRS.

All of our members have demonstrated their technical competence in the federal tax practice profession by passing the written, comprehensive Special Enrollment Examination which is prepared by, given by and graded by IRS.

SEYMOUR A. RISH, E.F.T.A.
Executive Secretary
National Association of Enrolled
Federal Tax Accountants
Chicago, Ill.

That tricky formula

To the Editor:

I find your quiz on "What's Your Investor I.Q.?" (June) very stimulating.

However, I can't believe the answer to Question No. 3—"One formula for determining a company's rate of return is to divide gross sales by net earnings."—is True.

If it were true, a company's rate of return would improve as net earnings decreased for any given level of gross sales.

J. F. PAQUETTE, JR.
Abington, Pa.

Editor's Note: NATION'S BUSINESS and that other pillar of free enterprise, the New York Stock Exchange, hang their heads in shame.

To determine a company's rate of return, net earnings should be divided by gross sales.

The answer to Question No. 3, as printed, should be False.

IF YOU CAN ADDRESS A STATEMENT TO
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Business taxes in New York State are lower than you think

What is a favorable tax situation? Firms about to relocate often consider only state taxes. But in many states you pay for vital services through a complex maze of local taxes, which are often less flexible and predictable.

In New York State business tax collections have risen less than in any other state. Moreover, you can write off any plant or equipment in half the time allowed by federal law. Research and development facilities can be written off in just one year.

NO PERSONAL PROPERTY TAX

In many states personal property taxes exceed real property taxes. And these property taxes must be paid each year, regardless of profit or loss. However, in New York State manufacturers pay no taxes on personal property, inventory, equipment or raw materials.

TWO STATES COMPARED

Here's how a manufacturer who maintains expensive production and research equipment would assess his tax bill in New York and a neighboring competitive state.



*Based on capital stock

The neighboring state's taxes are inflexible and based primarily on real or personal property including inventory. These stay the same, regardless of earnings. In New York over 60% of the taxes are flexible and based on profit. This prevents a heavy tax load in a lean year.

FREE TAX BOOKLET

Send for our free tax booklet. You'll see some of the reasons why 5,000 firms have moved into or expanded in New York State since 1958. Questions on any aspect of plant relocation or expansion are welcome and will be held in strict confidence.

Write Commissioner Ronald B. Peterson, State Dept. of Commerce, Room 289, 112 State St., Albany, N.Y. 12207. Or, if you prefer, contact us through any responsible third party.

NEW YORK STATE... where it's our business to help your business grow.

Executive Trends

- Colleges raid executive suite
- Do rolling stones gather moss?
- Cutting employees in on profits

College recruiting—a two-way street

Corporations have long scoured campuses for budding executives. Now colleges are combing corporations for seasoned managers.

Robert J. Keir, president, C.I.T. Educational Buildings, Inc., New York, cites a U. S. Office of Education study that bears out this trend.

Poll of more than 700 colleges and universities shows six out of 10 chief business officers—in accounting, purchasing, budgeting, maintenance, investments—were hired from off-campus. Average salary at bigger private universities: \$24,443.

"This reverse recruiting," Mr. Keir comments, "shows education recognizes that businessmen are perfectly capable of understanding the social and political forces in which schools and colleges operate."

Road map for rolling stones

"How do I go about searching for a job? I haven't looked since college days."

The query came from a top level executive. He'd worked for the same big corporation 18 years.

Now, despite promotions, his job palled. He was looking for greener pastures. But like many seasoned executives, consultant William B. Owen, Norwalk, Conn., notes, he didn't know how to go about it.

In his pamphlet, "How to Look for a Job," he lists eight channels job-switching or job-hunting executives can take—including cold calls, recruiting ads, job counselors and

search firms. One of the most effective, most neglected, and most time-consuming, it says, is letter writing to potential employers. He recommends initial mailing of 1,000, plus several hundred more a month.

The pamphlet (\$1) won't "teach qualified executives how to get a job"—a selling chore they know already—only how to get an interview.

The route to the top

Job-hopping may cripple your career.

The top job usually goes to the man who stays put, a recent American Institute of Management survey indicates. AIM polled more than 200 presidents from its list of excellently managed firms and found:

Nearly half had spent their entire career with same company.

Seven out of 10 had never switched—or switched only once.

If you stick with one firm, your chances of taking over the biggest desk in the executive suite are twice as good as the rival who worked for two firms, six times better than the gypsy who worked for four, this survey found.

Could be a trend.

Similar study in 1950 found only one third of company presidents had grown up with their firm. More than half switched twice or oftener.

Cutting them in on the action

What does Signode Corp., a small, Chicago steelmaker, have in common with Sears Roebuck, East-

Let's talk about FAST CONSTRUCTION and the Armco Building System

How long does it take an Armco Dealer to erect a big Armco Steel Building?
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Avco Corporation gave their general contractor, Ruscon Construction Co., Charleston, South Carolina, only 60 days to erect a 400,000-square-foot manufacturing plant for its Lycoming Division at Charleston. Ruscon, in turn, gave the steel building portion of the project to R-C Steel Building Co., Inc., Charleston's Armco Dealer. And R-C did the job in just 53 days!

Of course all Armco Buildings don't have to go up this quickly. But the Avco Lycoming project is a fine example of the fast construction you get with the Armco Building System, whether you need a massive manufacturing plant or a small commercial facility.

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ARMCO Metal Products Division



Low-priced time clock helps small companies meet strict wage-hour law requirements

Accurate time records and proof of compliance are mandatory for all companies subject to the wage-hour law. More and more companies are finding it pays to avoid wage-hour trouble with clock-stamped payroll time records. A bonus benefit is that resulting employee respect for time discipline shows up in increased production!

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EXECUTIVE TRENDS

continued

man Kodak, Procter & Gamble and lots of other giants?

For one thing, a profit-sharing plan. Some 130,000 U. S. firms now cut six million employees in on part of their profits. More and more are joining the parade, William J. Howell of Howell & Sisler, Chicago consultants on incentive compensation, points out.

Not just giants, but small companies as well.

Nearly one out of every four firms with 50 employees or more has some profit-sharing plan, he notes. About 250 more sign up every week.

And hundreds of firms with fewer than a dozen employees adopted profit-sharing plans in 1966.

The advantages to employers:

Better labor-management cooperation.

Higher productivity and profits.

Keener sense, on part of employees, of owning a piece of the action.

How to make your secretary glad you're her boss

Remember her birthday?

Praise her hairdo?

Go ape over her new dress?

Might help. But Marilyn French, The Dartnell Corp., Chicago, Ill., has worked out some foolproof rules that will boost her morale and make her more productive:

- Dictate early in the day. It eliminates last minute rush that makes errors creep in.
- Let her smooth out your grammatical lapses, and query your obscure, muttered remarks. This might save you real embarrassment, to say nothing of costly misquotes.
- If you like to rewrite what you dictated, let her do a rough draft first. It will save time-consuming, nerve-racking, redos of an error-free letter you've decided to edit.
- Remember, it takes two hours to type up what it took one hour to write down. This includes time to make carbons, check names and addresses, type envelopes, get enclosures, fill in gaps you left—and answer phones.

Slimming down corporate bulge

Costs up and profits down?

Maybe it's time to trim fat.

But don't do what one company president did, BFS Psychological Associates, Inc., New York management consultants, urge. In the

midst of an economy drive, this top executive was chauffeured to work daily in a white Lincoln limousine. And before the drive ended, he headed South for four weeks of golf.

BFS suggests these rules for payroll surgery that won't dent morale:

Set a good personal example.

Use a rifle, not a shotgun. Work on specific costs and expenses.

Shun sacrifices like cancelling newer machinery that might save thousands in costs.

Follow up. For example, post production savings daily on billboard near plant gate.

Work closely with first-line supervisors. They'll keep you from making boos-boos that hurt you at the grass roots.

A look at tomorrow's merchant prince

Yesterday's grocer—standing behind his counter to wait on customers—is today's manager of a self-service supermarket.

What will tomorrow's merchant be like?

He may not run a store at all. That's what Woodrow Wirsig, president of New York's Better Business Bureau, suggests.

In the year 2000, his customers may call him on the video phone, look at his merchandise via three-dimensional color TV, and pay for their purchases through their bank's computer services.

"You may know tomorrow's consumer only as a tiny electric impulse in your computer's simulation program," he says.

Moral for executives: If you stand pat, and don't foresee change, you'll go the way of the buggy-whip maker.

Welcome mat for burglars

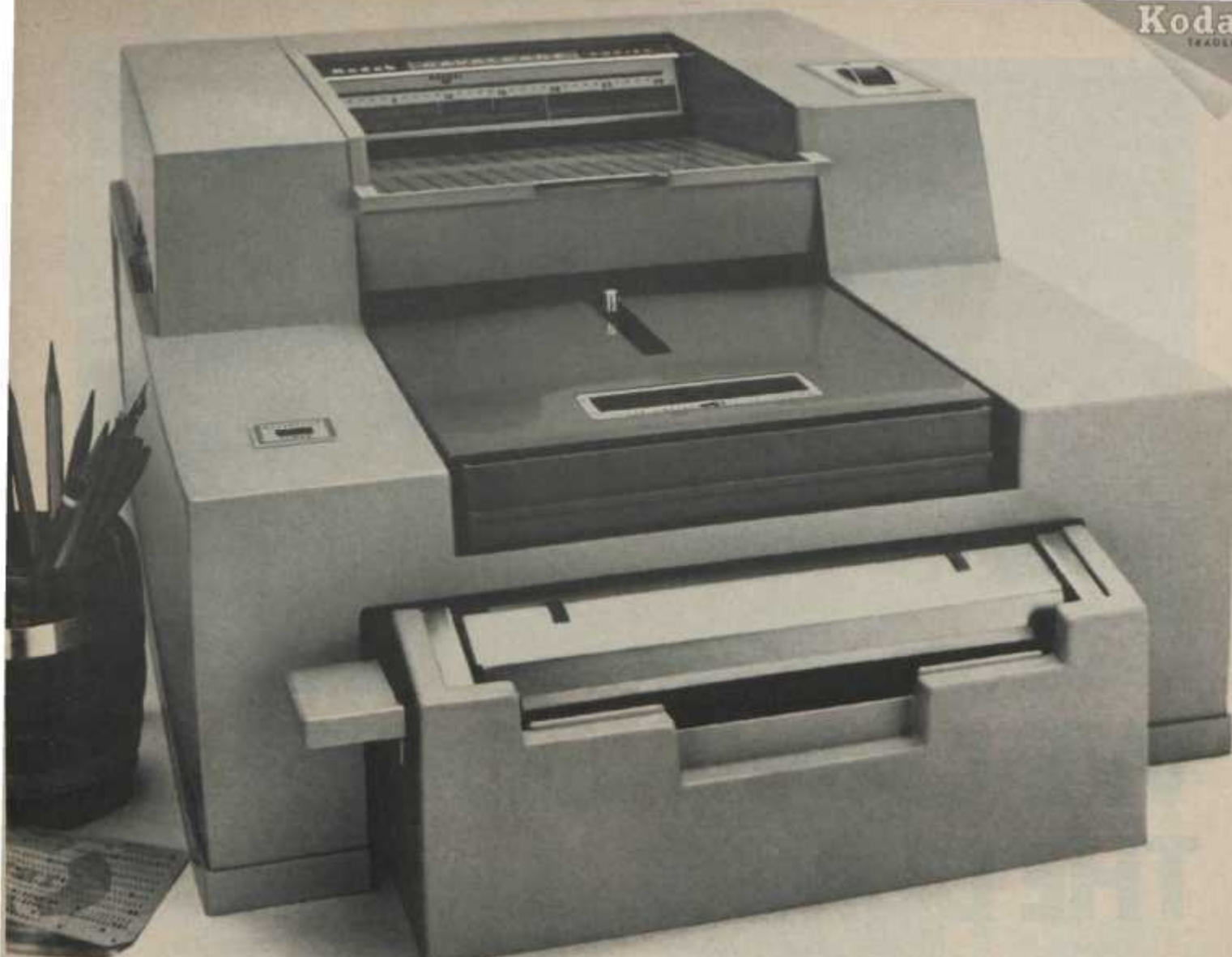
Thieves as well as dowagers and debutantes read the society columns.

Burglars are keenly interested in travel items that tell when you'll go away—and how long you'll be gone. That's when your home is easiest to rob.

So don't break the news of your cruise till you return.

"How to Defend Yourself, Your Family and Your Home," recently published by David McKay Co., Inc., New York, passes along that safety tip and others.

The average American, it notes, runs the risk of being the victim of a serious crime at least once in his lifetime.



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The Workhorse tire gives you a choice of two tread designs. Rib-type for over-the-road use. Extra-traction design for on and off-the-road use.

GOODYEAR

What the winning candidate must sense

BY PETER LISAGOR

It's a long journey to a Presidential nomination, and it can start in many different ways and follow diverse paths.

Years before they made their big run at the prize, John F. Kennedy and Barry M. Goldwater moved like old-fashioned drummers from county seat to county seat as speakers at fund-raising dinners which other and better-known members of their respective parties scorned. This is pick-and-shovel work to ambitious politicians, and it can pay rich dividends. When Kennedy and Goldwater later began to beat the bushes for delegates to the national conventions, they found many a grateful county chairman who remembered and used his influence to help.

The journey had an accidental turning in the cases of Harry S. Truman and Lyndon B. Johnson, both of whom reached the White House as Vice Presidents through the death of the President and then moved on to the nomination in their own right.

Another Vice President, Richard M. Nixon, was an almost automatic legatee of the G.O.P. mantle in 1960 after Dwight D. Eisenhower completed his second term. Adlai E. Stevenson got there through the governor's mansion of Illinois, a route that was familiar and well traveled in an earlier time when handling the affairs of a big state was regarded as prime training for the Presidency. The state house is returning to favor now as a springboard to the White House.

Once a man starts the wheels turning, he must open a national headquarters office in Washington. It can be a modest suite of rooms in the high-rent district, a storefront, or a small building converted to lure casual passersby in from the street as well as to serve as a nerve center for a national operation.

• • •

The Nixon headquarters exemplifies the latter: It is a narrow three-story structure that once housed a savings and loan company, wedged in between a dry-cleaning establishment and a restaurant specializing

Mr. Lisagor is the White House correspondent for The Chicago Daily News.

in German dishes. It is scarcely more than a block from the White House on Pennsylvania Avenue, and it has been painted a spanking red, white and blue, and adorned with cheerful signs and some hugely blown-up pictures of the smiling candidate with some Very Important People, instantly recognizable. There also is the usual bevy of wholesome-looking young women and serious-minded young men, cut from an executive mold and trying hard to convey the impression that they were not born yesterday, as the callow in politics tend to be described.



Crime in the streets, cost of college, Viet Nam are topics uppermost in the minds of many Americans.

All this has happened before Nixon himself has declared his candidacy, just as Michigan Gov. George W. Romney's lieutenants have opened a less ostentatious headquarters a few blocks away, even though their man has not made an official declaration either. It is one of the amiable deceptions of American politics that a candidate starts running hard long before he is willing to confess that he is an active seeker of the nomination. Romney says he wants to find out

TRENDS: WASHINGTON MOOD

if the people want him, and Nixon believes that an acute sense of timing is an indispensable ingredient of political success.

In any event, both men are off to a fast trot, with a headquarters and the makings of an organization. They're collecting money to nourish this embryonic effort. But the tough part of their journey has yet to begin in earnest.

In the end, they must come face to face with the issues. Their almost certain opponent, President Johnson, has a record he can't escape; he has a new and direct encounter with the issues nearly every day. Romney and Nixon, or other lurking potential candidates among Republican Senators or governors (Charles Percy, Nelson Rockefeller, Ronald Reagan, Mark Hatfield, for example,) can afford to wait, to equivocate, to temporize—but only for so long.

It is impossible to predict with any assurance how the Viet Nam war will cut in the 1968 campaign, and some Republicans now believe that the man best qualified to challenge the President will be a dove, not a hawk—or a man who wants to de-escalate the fighting and concentrate his main efforts on achieving a negotiated peace. Nixon to date appears to be on the hawkish side, urging stronger and unrelenting measures to end the war.

But the former Vice President also is realistic enough to have foreseen the prospect that a so-called "peace candidate" might be popular next year if the war casualties continue to mount and frustrations accumulate. It has become an article of faith in both parties that the communist leaders in Hanoi will hang on, no matter how hard they're hit, until after the 1968 elections, presumably in the hope that another President might be easier to deal with than LBJ.

• • •

As important as it now looms, Viet Nam will not be the only issue in 1968. Issues can be manufactured by skillful politicians or they can spring full-blown from events. In many ways, Romney and Nixon can pick and choose among them or sidestep them altogether in the pre-convention or pre-primary choreography. This is not true of the ambitious Senators who may be hoping for lightning to strike them in a deadlock situation at the G.O.P. convention.

"We Senators can't pussyfoot around the issues," one of them lamented not long ago; "we have to vote on them, take a stand. Romney or Nixon didn't have to stand up and be counted on the consular treaty with the Russians; we did. And that issue brought a flood of mail from people who want nothing to do with Moscow. It will be the same on other proposals for promoting cooperation with the Russians and the Eastern European countries."

The split between the conservative Republican leadership in Congress—Senate Minority Leader Everett M. Dirksen and his House counterpart, Gerald R. Ford—and moderates, such as the aforementioned Senator, was dramatically spotlighted when Dirksen and Ford equated any trade or tariff concessions to

Eastern European countries and the Soviet Union with "trading with the enemy." As long as those communist countries supply arms and equipment to the North Vietnamese, Dirksen and Ford declared, any dealings with them should be proscribed.

Romney and Nixon, who do not have to vote on East-West trade measures and the like, can bide their time, watching to see whether the issue of contacts with the East takes hold and develops as a point of contention next year.

• • •

On the domestic side, potential issues of every description await the attention of the candidates. They cover the great welfare issues, the federal role in education, air and water pollution, relations with the states, deficit spending, order in the city streets, civil rights, the management of the economy.

The non-Congressional candidates can avoid these for a time, but as they warm up their candidacies, the press will see to it that they get an opportunity to express their views. And those views will go into the public's judgment, which will be reflected in the public opinion polls, which in turn will prove influential in the choice of the nominee by the national convention.

The leading candidates, Romney and Nixon, will also be forced to take a position on the issues when they hit the primary trail. They can hold their own in the Presidential primaries, or be broken, before the convention opens. Some astute political observers have grieved over the fact that a promising candidate can be blocked from the nomination by the votes of such small states in electoral terms as New Hampshire, Oregon, Nebraska, Wisconsin, Indiana and West Virginia, but the fact is that the man who establishes himself as a winner in the primaries has a tremendous psychological advantage, not to mention a fair number of delegates, at the convention. A primary loser on the other hand, rarely can recover.

One of the best informed political experts in Washington believes that most modern candidates have not yet caught up with the vast changes in our society. The middle class has widened and deepened, and it has little concern for the simple bread and butter issues of the Forties and Fifties, he argues. This overwhelming segment of the nation has three major concerns today, he contends. First, they fret over the possibility that their sons may be caught up in the maw of the Vietnamese war and killed or seriously wounded. Second, they are deeply anxious about the disorder and crime in the nation's streets. Third, they wonder how they will pay for the college education of their children. (If a national referendum were held on the proposal to grant a tax deduction to parents with kids in college, it would win by a landslide vote, this expert maintains.)

The candidate who accurately plumbs the real concerns of the people, who sorts out the authentic issues from the spurious ones, and who boldly and clearly takes a position on them that is feasible and, above all, believable, that is the man best calculated to make the strongest challenge to the incumbent President. But it is a tricky course, full of hazards and heartaches, and only strong men survive it.



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Where the melting pot has melted

BY FELIX MORLEY

Turbulence throughout much of the world is combining with many positive local attractions to promote and develop the Caribbean area. And, curiously, the one serious trouble spot in these waters is advancing the welfare of neighboring islands. Quite unintentionally, Castro has helped them by turning Cuba communist.

Puerto Rico is a good illustration. This agriculturally rich island, two thirds the area of Connecticut, is booming on several fronts. It now produces, for the American market, much of the sugar that used to come from Cuba. As a tourist attraction, offering exotic entertainment in tropical environment, San Juan has completely displaced Havana. The tax and other advantages of Puerto Rico's autonomous political status are being increasingly utilized by many branches of American business.

The result is that during the past decade increase in the island's per capita production has far outstripped mainland growth. But there is still a long distance to go. The annual per capita income of thickly populated Puerto Rico is still slightly under \$1,000, or only about two thirds that of Mississippi.

Puerto Ricans complain that in the 68 years since annexation from Spain their country has become too Americanized. Certainly the seaside boulevards of San Juan now closely duplicate Miami Beach. There is no longer any linguistic difficulty for those who speak only English. Yet the foreign flavor lingers on; in the picturesque old town back of El Morro, in the cultural life of the capital and throughout the smiling countryside where the flag of Spain floated for almost four centuries.

• • •

A short hop to the east of Puerto Rico lie the Virgin Islands, half of them British, half purchased by the United States from Denmark during World War I. In these islands Negroes outnumber those of European or American ancestry by four to one yet for the fiftieth anniversary of the transfer, this year, it was the Danish flag that was flown everywhere beside the

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.

stars and stripes. This Scandinavian influence combines with its free port status to make Charlotte Amalie, the little capital, a mecca for shoppers. And while water is scarce rum is as abundant as when Robert Louis Stevenson located his imaginary "Treasure Island" in this locality.

Curving east and south from the Virgins, "like a saber pointed at the Spanish Main," is the long volcanic chain of the Lesser Antilles, mostly British but also with a French, Spanish and Dutch overlay on the predominantly Negro population. Racial consciousness is completely absent in the large French island of Martinique, though in nearby Guadeloupe



Dr. Morley inspects the Napoleonic museum at the birthplace of Josephine on the island of Martinique.

troops have been called in this summer to suppress riots of allegedly communist inspiration.

Politically these French islands are not colonies but are governed as *departements*, or integral parts of France, with full representation in Paris. Indeed these people are almost aggressively Gallic and in this year's parliamentary election those of all colors voted nearly unanimously for de Gaulle, in contrast to the disfavor shown him at home.

Ever since Joséphine left Martinique to become Napoleon's empress, the island has been known as "Queen of the Antilles." And it deserves the title both for its natural beauty and for the indescribable

TRENDS: STATE OF THE NATION

charm and beauty of the Creole women. Joséphine Tascher de la Pagerie is only the most famous of those who have struck it rich. Even earlier the lady known to history as Madame de Maintenon set sail for France and before long became the mistress of Louis XIV. But she did not make the throne and therefore is less honored in Martinique than Joséphine. There is a charming little museum at the latter's secluded birthplace, across the bay from Fort de France, where the lady curator characteristically speaks only French. The same is true of taxi drivers and of all the well-scrubbed Negro children. But the alert merchants of Fort de France are good salesmen in whatever language a prospective customer offers.

As is appropriate in any earthly paradise, a shadow hangs over Martinique. It is cast by 4,500-foot Mont Pelée, which on May 8, 1902, suddenly erupted to destroy what was then the principal city of St. Pierre. The whole side of the mountain blew out, burying the town and all its 40,000 inhabitants under torrents of molten lava. For many years now the volcano has been completely inactive and there has been some rebuilding around the ruins of this Caribbean Pompeii. But in Fort de France, 30 miles away, there is a saying that Mont Pelée is no more trustworthy than a husband at Mardi Gras.

• • •

The last island of the Lesser Antilles, within sight of the South American mainland, is Trinidad, which has an area just one square mile greater than the State of Delaware. With the adjacent islet of Tobago this former colony will next month celebrate five years of virtual independence from Great Britain. Trinidad-Tobago now has its own flag, its own currency, its own postage stamps and is a member of U.N. But more than these trimmings are needed to make a nation and the one million people who crowd T-T have a hard row to hoe.

Unfortunately, the attempted federation of the British West Indies, including the whole arc of island colonies from Jamaica to Trinidad, has failed. For this Jamaicans blame Trinidad and Trinidadians blame Jamaica. Both suffer, since there is little economic strength in the political diversity of Beewee, as these fragments of former empire are called collectively.

Trinidad is famous for its asphalt lake, for calypso doggerel, for steel bands, for that weird dance known as limbo and for its extraordinary racial mixture. In Port of Spain Moslem mosques and Hindu temples, Anglican churches and Jewish synagogues, are jumbled together with Chinese restaurants and Indian bazaars. The Prime Minister is a Negro and his overburdened Minister of Commerce is Irish. The big island lies only 10 degrees north of the Equator and is oppressively humid. But T-T hopes for industrial development, has a Hilton hotel and recently took a whole section of the Sunday *New York Times* to advertise its promise.

About 500 miles due west of Trinidad, along the

Venezuelan coastline still known as the Spanish Main, lie the ABC islands of the Netherlands West Indies: Aruba, Bonaire and Curaçao. They are of coral formation, naturally arid and desolate by contrast with the lush Antilles, but oil has made them havens of prosperity.

In 1915, when the rich fields underlying Lake Maracaibo were discovered, the canny Dutch promoted big refineries, first on Curaçao and later on Aruba. For a time these had a near monopoly in processing Venezuelan oil, transforming the ABC economy. The water ballast of incoming tankers is used for irrigation and no comparable area does more in the way of desalinization. Though you would never know it, seawater is used in brewing the excellent local beer, rivaling the thirst-quenching ingenuity by which the essence of the bitter oranges of Curaçao is converted into the golden liqueur of that name.

But this outpost of Holland is not without problems. Venezuela has its own refineries now and those of Trinidad and Puerto Rico are also strongly competitive. Unemployment is serious, though local officials put it delicately by saying that "automation has created labor availability." So the resourceful Hollanders are working to develop tourism and have made Willemstad, the capital, more picture-book Dutch than Amsterdam itself.

As the French Antilles are governed from Paris, so are the ABC islands, with internal autonomy, controlled from The Hague. There is little of the demand for nationhood that has ended the British colonial status of Jamaica and Trinidad. So, throughout the Caribbean, there is much interest in how Puerto Ricans will vote, in the plebiscite scheduled for July 23, on the alternative propositions of independence, statehood (like Hawaii) or continuation of the present Commonwealth connection with the United States.

• • •

In the Caribbean, colonialism had had as grim a record as may be found anywhere. The gentle Arawak Indians were long since exterminated and even the less docile Caribs are scarce today. In their place is as complete a mixture of colors, creeds and national origins as can be imagined, with descendants of the former African slaves numerically strongest. Perhaps it is the inability of any one people to become dominant there, perhaps it is the result of living in a perpetual summer, but in any case this is a region where the melting pot is fusing diverse elements into a single lovable whole.

For North Americans it is easy to reach this fascinating area. Air travel, to any of the places mentioned and many others, is quick and comfortable. But the most rewarding way is to go by sea, watching the delectable islands rise slowly from the deep blue water as Columbus did. This can be done economically, by freighter, or luxuriously on one of the many cruise ships that crisscross the Caribbean in increasing numbers. And North Americans are welcome, if they show interest beyond the "sun, fun and rum" which constitute the objectives of too many.

It is a different world, at our very door, of which most of us know far less than its importance makes appropriate.





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Proven again: Safety is still up to people

BY ALDEN H. SYPHER

Some early results of the nation's automobile safety law have been tallied.

You may not have heard about them. Washington is not publicizing the situation with the same enthusiasm that characterized its attacks on the automobile as a black-souled thing that kills innocent people because of woeful defects in its makeup.

You should know these results. They have, or will, cost you a lot of money as a taxpayer and as a buyer of automobiles being made safe by law. Possibly they could cost your life. They may give you an idea of what to expect from federal laws requiring safety in vehicles.

In interpreting this early tally you should keep in mind the safety law was passed by Congress without much sober thought.

It breezed through. Congress was on a circus-like ride. Members were carried away by politically popular tunes. They piled dangerously onto a bandwagon dispatched by LBJ and driven by Sen. Abraham A. Ribicoff of Connecticut with more enthusiasm than thought. Sen. Robert F. Kennedy of New York climbed to the driver's side and passed out buttons and banners proclaiming safety as the thing of the moment.

Auto safety was a new thing, politically. It had much going for it. It could be aimed at the vehicle, which couldn't hit back. And at the giant manufacturers who could, but wouldn't. The statesmen could go lightly on the drunks and aggressive incompetents that cause accidents, but might hit back.

So they sanctified safety on the highways, along with motherhood, the flag, home and the dog, which is said to be man's best friend—and which looks more like it every day.

Then the statesmen sanctimoniously passed a law setting forth that vehicles must be made safe by the manufacturers right quick, and that if the states didn't do a little something about their drivers sometime, they might not get the highway money they've become accustomed to spending.

But no one except the manufacturers and a few

easily frightened state politicians paid any attention. After all, it was as if Congress had passed a law holding that henceforth the manufacture of shotguns would be limited to those that could shoot only things that never should have been born in the first place, and that shooters be limited to people with a normal aiming eye and a usable trigger finger.

And the people had heard that federal funds hold-out threat before. It didn't work on poverty, civil rights or education spending. Why should it on highways? Besides, who would believe this administration would hold out on a southern (or northern, eastern or western) state this pre-election year?

It's not surprising that people should take the safety law in about the same spirit that Congress gave it to them. A CBS roadside survey disclosed that only a third of the people driving and riding in cars equipped with safety belts are using them. And that they are so poorly informed that twice as many who do use them buckle up only on the superhighways, where the need, according to the champions of automobile bellybands, is only half as great.

• • •

Now the poorly thought-out drive for safety on the streets and highways may be blamed, at least in part, for stark tragedy.

The designers of the New York Transit Authority's new buses could not envision shattered glass, pools of blood on the street and mangled boys as they created new safety features to be built into the vehicles. Like the federal law, too much emphasis was on equipment, too little on human factors.

The engineers eliminated a protrusion across the back of the older buses. Boys used to hitch rides on it. Side windows were redesigned so they would swing outward as emergency exits if enough pressure were applied.

So the boys along Dean Street in Brooklyn no longer could hitch rides on the rear ends of Transit Authority buses. They were thwarted, but not for long.

Soon they learned two things. One, that they could hitch rides by clinging to the windows. And two, that the right-hand side was a blind spot to the driver.

Eight boys were hanging from the windows of a

Mr. Sypher, a lifelong journalist, is the former editor and publisher of NATION'S BUSINESS.

TRENDS: RIGHT OR WRONG

new safe bus when it swung around a truck parked on Dean Street.

Either the bus was quite close to the truck as it passed alongside, or the new safety windows swung open from the boys' weight.

Whichever it was, the boys were swept from the side of the bus. Two were killed. The others were injured.

Perhaps this accident was inevitable. It illustrates what can and will happen with equipment intended to be safe.

It suggests again that safety lies more in people, less in vehicles.

"We've tried warning them," said Patrolman John Lande sadly, "but it hasn't done much good. Maybe the schools could try an educational program."

Another example of federal safety came in the same week when two airplanes landed on intersecting runways at New York's federally controlled LaGuardia Airport.

Two minutes and three seconds after the Federal Aviation Agency controller in the tower radioed "provisional" approval of a pilot's request for a straight-in approach, another plane was cleared for a landing on an intersecting runway.

Not quite two minutes before actual touchdown the tower began to radio orders to the first plane to delay



U. S. highway safety officials, Dr. William Haddon and Lowell Bridwell, testify at a Senate committee.

its landing. First by making S-curves, next by circling, finally by ordering him to pull up.

None of these orders was acknowledged by radio, nor carried out. Clearly the messages were not getting through. The plane's radio had failed or been inadvertently turned off.

Despite this obvious state of emergency, no order to change course ever was issued to the other plane, which had radio contact and could have reacted readily and easily during the last three miles of its approach.

Michael Puglisi, a public affairs officer for the FAA, later told reporters the second plane came into its landing properly, carrying out the tower's orders.

It would have been wrong for the tower to issue a pull-up order to the aircraft which had radio contact,

he said, because to have them both pull up would risk a mid-air collision.

He did not explain this to everyone's satisfaction. It was quite obvious that one plane was not receiving its directions and was not about to pull up. It's just as obvious that there's more room in the air than there is on intersecting runways. And that the rapidly building-up tragedy was visible from the tower during the last miles of both flights.

They collided at the intersection. Three persons were killed. Nine others were hurt, including several policemen fighting the fire that followed the crash.

Just one day earlier Kenneth T. Lyons, president of the National Association of Government Employees, announced the victorious end of a two-and-a-half-year battle against psychological testing of FAA control tower and traffic center employees.

The Civil Service Commission, he said, was preparing an order to the agency abolishing "testing that delves into employees' opinions on sex, religion and patriotism." The tests had been intended to help determine employees' fitness to serve in posts that have high requirements, particularly in emergency situations.

• • •

There's new hope for highway safety, though, and some accomplishment.

Hope comes in an \$8.7 million program to find the causes and cures of traffic accidents.

Dr. William Haddon, Jr., director of the National Highway Safety Bureau of U. S. Department of Transportation, will oversee the research.

It may seem like a waste to those who know Dr. Haddon already is something of an authority on the causes and cures of traffic accidents.

Before the current federal fever for safety, he was with the New York Department of Health. He made speeches on accident causes and cures, and reported to scientific and engineering audiences that at least half our fatal crashes are caused, at least in part, by the use of alcohol. By drunks, in other words.

He knows already that if you eliminate the drunks you'll have less use for the padding now being put into cars under law.

Perhaps he just wants someone else to say it. Whatever hope there is seems to lie in that possibility.

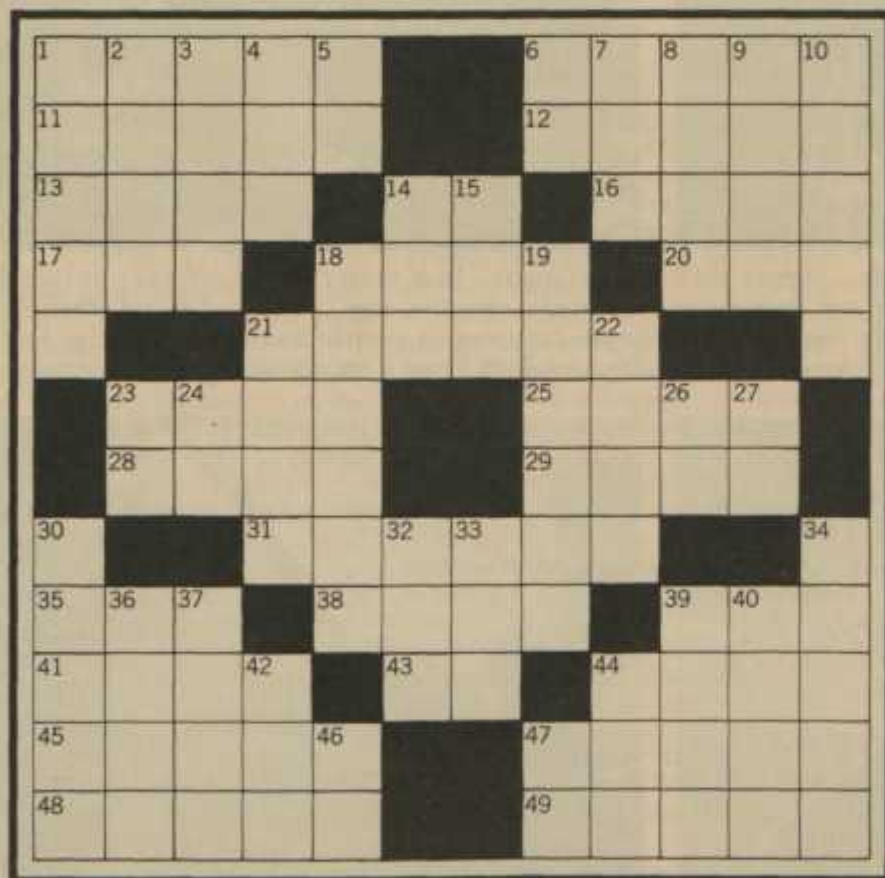
As far as actual accomplishment is concerned, Rhode Island has set a record by going 12 years without a traffic death caused by collision with off-the-road highway structures, such as light poles and sign supports.

Drivers still run into such structures. About 30 of them are knocked over every year. But they shear off, and neither driver nor passenger has been killed in such a collision in a dozen years.

That's because the metal is softer than was used in such structures before. State Traffic Engineer Philip S. Mancini is proud of the record.

"Rhode Island probably has been foremost in recognizing the importance of impact shear-offs as a safety measure," he said recently. "Many other states have followed our lead." How did Rhode Island discover all this? They switched to a softer metal to save money. The safety factor was an accident.

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1. Rabbit or knockout
6. Florida city
11. Hollywood statue
12. Command
13. Man's first name, Ponce's last name
14. The spirit of _____
16. Kiss Me _____
17. Printed persuaders
18. Couples

20. Non-women
21. Railway stations
23. Sherlock Holmes' Baker St. address
25. Girl's name
28. How many Arabian nights?
29. Metal
31. Bends over
35. A limb
38. Hurt
39. Female deer

41. To judge
43. LXX
44. The Jones and the Sawyer boy
45. Mr. Stevenson
47. A flat cap for men or women
48. Cowboy circus
49. Baked, lima, or jelly _____

DOWN

1. White bear
2. Second-hand
3. Sergeants
4. Tin container
5. Sixty minutes (Abbr.)
6. U. S. State (Abbr.)
7. Annoy
8. First man
9. To allot
10. Girl's name
14. Soft drink
15. Into the valley of death rode the _____
18. Entries of debt
19. Privates have one
21. God (Spanish)
22. Gentlemen
23. Voting age
24. XX
26. Preposition
27. In grammar, an article
30. Electronic eye
32. Killer's license number
33. Gold (Spanish)
34. Lies down
36. Do over
37. Canasta term
39. The dumb girl
40. A portent
42. Girl's name
44. Golf term
46. Downing St. address
47. Ammunition for toy gun

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WHY YOUNG RADICALS ZERO IN ON BUSINESS

"I don't care if they burn factories down," declaims a bearded leader of a youth movement on a Michigan campus. "That's just bricks and mortar."

"Corporate business . . . is an unjust institution," declares another young radical deeply involved in community organizing in Chicago.

The oratory varies but the message is clear:

Thousands of young radicals are driven by a basic hostility to corporate enterprise based on the profit system and to its role in public affairs.

The radicals seek to inject this hostility into every area of current agitation—the Viet Nam War, the draft, defense contracting, poverty, civil rights, slum housing and control of universities.

Each effort reflects the radical technique of inflaming groups over gut issues, portraying the grievance as an inevitable outgrowth of a sick society and demanding revolutionary change.

Many corporations have been direct targets of demonstrations, often staged less to change their policies than to pillory them as symbols of a supposedly corrupt system.

- College radical groups from several campuses have picketed recruiters from Dow Chemical Co., a manufacturer of napalm used in Viet Nam. Witco Chemical Co., Inc., of Chicago, also has been a target.

- Several banks with investments in South Africa, including Chase Manhattan Bank, First National City Bank and Continental Illinois Bank and Trust in Chicago have

been hit by demonstrations in which radicals have played key roles.

- Manufacturers of equipment used in Viet Nam, including Sikorsky Aircraft Co., and Bell Aerosystems (helicopters) and General Electric (helicopter armament systems) also have been singled out for protest demonstrations.

- Student activists have helped organize employees of Schenley Industries, Inc., and Levi Strauss Co., and provoked a boycott of "Levis", its brand of trousers so popular with young people.

Protests at the University of Wisconsin at Madison reflect campus techniques used. Some 500 students demonstrated against recruitment interviews by a representative of Dow.

More than a dozen students were arrested, some for disorderly conduct in the recruitment area and others for throwing themselves under police cars. University performance of federal research contracts also was protested by demonstrators.

University of Chicago pickets at Continental Illinois bank had a secondary target: Bank officials who are members of the university's board of trustees.

Picketing by 300 demonstrators at the two New York banks at Chase Manhattan Plaza led to immediate withdrawal of \$22 million, sponsors claimed; bank officials estimated withdrawals at \$37,000.

"You can march until you're blue in the face and a bank won't change its policies," remarks Clark Kisinger, former national secretary of

Students for a Democratic Society and an organizer of demonstrations against Chase Manhattan.

But we're "calling people's attention to the roles played by private power in making what should be public decisions."

Businessmen can look for lots more of the same, as part of a broader attack on the business position. It seems inevitable in view of community organizing, research, propaganda and political activity now under way across the country.

Businesses and communities at large could be subjected to violence, either from the comparatively few radicals who believe it necessary or from others, incited by radical propaganda blaming all grievances on an unyielding "establishment" of which business is a part.

The hard core

What is the radical youth movement, what is it doing, how does it differ from the "old left," and what are its implications for business?

As an organization, it consists mainly of the campus-based Students for a Democratic Society, claiming some 30,000 members and 200,000 sympathizers; SDS alumni carrying their radicalism off campus and into the community; the Radical Education Project, a group researching and developing radical programs, and the National Conference for New Politics, a growing effort to promote radical candidates for office at all levels of government.

As a movement, however, it is broader, involving many—but cer-

WHY YOUNG RADICALS ZERO IN ON BUSINESS

continued



Demonstrators arrested picketing helicopter production at Sikorsky Aircraft.

tainly not all—of the civil rights activists, poverty workers and union organizers.

The pattern of their activities is constantly shifting. But talks with radical leaders and study of their writings—some unpublished—give an idea of their characteristics. Here are the major ones:

- **Protest without a program—yet.** While denouncing American policies and institutions, the radicals don't pretend to offer an alternative system, much less a program for achieving it.

"Too often the movement generalizes the policy abuses of government or private power groups to the whole of society," candidly observes a booklet by one of the organizations—the Radical Education Report.

It chides many other radicals for generalized charges that:

"Government is corrupt, the middle class is shallow, privatistic and amoral, the working class has sold out, the upper class is conspiratorial. The cities are ugly, the mass media are vacuous opiates, the countryside is plundered by one form or another of money grabber. Everywhere, commercialism, advertising and deceit abound. Religion institutionalizes hypocrisy. The powerful oppress the weak at every occasion. Racism is ingrained in the heart of our America and imperialism is her lifeblood."

Admitting that lack of a program "which makes sense" is a serious weakness, REP is working to de-

velop "reform" proposals in a broad array of policy areas; the National Conference is doing likewise, seeking a raft of platform positions for radical candidates for public office.

- **Diversity.** There is widespread disagreement among the radicals over such basic issues as the acceptability of violence and the usefulness of elective politics as means of bringing about social and economic revolution.

Young radicals' views vary, in fact, as do their clothing styles, which aren't all scruffy beards and sandals.

For example, Michael Zweig, an economics teaching fellow at the University of Michigan and former president of the SDS chapter there, speaks approvingly of factories being burned but shrinks from the idea of people being killed.

However, a companion, a Venezuelan sporting a "Workers of the World, Unite" button, counters: "If by violence we could change the lives of . . . people it would be good, because their lives are violent anyhow."

In an interview with *NATION'S BUSINESS*, Mr. Zweig suggested sabotage by workers in defense plants. However, a companion interrupted to point out that sabotage, unlike draft resistance, is not the policy of SDS or the University of Michigan chapter.

- **Influence.** Regardless of motives, young radicals are busy penetrating areas of poverty and frustration,

identifying themselves with the goals and grievances of those who feel shortchanged by society.

Organizing antiwar demonstrations, civil rights activity or protests against slum landlords, they are developing a "constituency." Whether those they organize swallow the whole radical line remains to be seen.

- **They are not communists,** despite their Marxist rhetoric. No responsible Red-watcher would call SDS or affiliated groups communist, though the organization does not exclude members of communist groups and will collaborate with them on specific issues, the SDS acknowledges.

Where they part with communists

The differences are important. Unlike the Communist Party, the new radicals have no "party line," party discipline or program comparable to a blueprint for a Soviet state; in fact, some radical thinking is anti-authoritarian to the point of anarchy.

Also, the new radicals are largely open in discussing their activities, in contrast to the secretiveness of the communists. Their activities are legal, aside from trips to Hanoi by SDS leaders, like that of SDS National President Nick Egleson this spring.

Some sources theorize that the new, home-grown radicals are likely to go farther than any communists, not being burdened by Soviet ideological baggage, stifling disci-



PHOTO: THE CAPITAL TIMES

Young radicals disrupt Dow Chemical recruitment at University of Wisconsin.

pline and stigma of association with a hostile Soviet Union.

A main current effort of the new radicals is, of course, the so-called "Viet Nam Summer." It is designed to mobilize 10,000 volunteers to agitate against the war in some 500 communities and develop "a powerful base of antiwar sentiments capable of electing candidates in 1968."

So say the sponsors, which include the Rev. Dr. Martin Luther King, Jr., the civil rights leader; Dr. Benjamin Spock of the Committee for a Sane Nuclear Policy; Carl Oglesby, former president of SDS, and William F. Pepper, executive director of the National Conference for New Politics.

The real cause of the war, argues Mr. Oglesby in a book he coauthored, "Containment and Change," is an imperialist big business that is responsible for the government's cold war policy of containing communism.

"Imperialism is the national public concomitant of private commercial expansionism; big business makes big government, and multinational business globalizes it."

Applying the theory directly to Southeast Asia, he proclaims that "a direct American commercial interest in Viet Nam exists. For the most part it is potential. That makes it no less real."

Targets for agitators

Use of the antiwar theme to alienate groups was discussed at the

University of Michigan by Mr. Zweig, who is contributing a chapter on the economics of the corporate society to a REP book, "Beyond Dissent: Papers From the New Left," which is to be published next Spring.

He cites these groups:

- The poor, because of diversion of resources from health, education and living standards.
- The academic community, because of the draft (and university submission of student class ranking to Selective Service), classified research in such fields as chemical warfare and other defense work, and the "chilling effect" on academic debate caused by investigations of student activism by the House Committee on Un-American Activities.
- Negroes, to the extent that the war diverts attention from the civil rights movement. (Others also seek to portray the Viet Nam conflict as white America against nonwhite Asia.)
- Workers, because of growing dependence of the economy on war, and because of pressures against strikes that may threaten the war effort.

Mr. Zweig carried a sign, "U. S. Lose in Viet Nam," in an antiwar demonstration in New York this spring, and declared that if such advocacy represents treason or sedition it is justified.

He sums up, echoing the Oglesby theme: "People are being suckered into working against their own

interests to work for business interests."

Exploiting the war

The war offers great prospects for radical organizing, says the National Conference's Executive Director William F. Pepper, a 29-year-old former college instructor, writer, lecturer and latecomer to radicalism on the basis of experience as a freelance writer for several weeks in South Viet Nam.

In an antiwar speech this Spring, he suggested a theme of the Viet Nam Summer campaign, charging that "the system . . . has also nurtured vast racial inequality, social injustice and growing economic oppression within its own national boundaries."

The draft alone would keep the movement rolling, according to Paul Booth, 24, a former national secretary of SDS, who predicts major gains for the radical youth movement on college campuses.

Launching a campaign of resistance to the draft at Berkeley, Calif., last December, the national council of SDS adopted a resolution noting:

"SDS recognizes that the draft is intimately connected with the requirements of the economic system and the foreign policy of the United States."

Another major effort, suggested by Mr. Booth and many others, is aimed at greater student control of universities—again with direct anti-business overtones.

As reflected repeatedly in radical



PHOTO: UPI

Pacifists picket Polaris submarine launching at General Dynamics shipyard.

WHY YOUNG RADICALS ZERO IN ON BUSINESS *continued*

propaganda, the real issue on campus relates to the university as a reflection of power relationships and priorities in society at large.

The so-called Free Speech Movement that created turmoil at the University of California at Berkeley was phony, according to Clark Kissinger, who put it this way: "The real issue is who will control the university and to what ends."

Paul Lauter, of the University of Chicago, in a draft chapter for REP's book, "Beyond Dissent," states the student gripe was rejection of the idea of a university operating as a talent bank for government and industry, maintaining a pool of managers, engineers or knowledge-producers.

He argues that the university fails in its obligation to confront society with the truth, which would transform the university into an agent for moral revolution. He also maintains that the view of the university as a compliant tool of business has prompted student demonstrations against companies whose officials are members of university boards of trustees.

Chicago, location of SDS headquarters and base of many former SDS leaders, gives an idea of what these radicals are doing off campus.

Fingers in many pies

Rennie Davis, a former SDS officer now in community organizing work, described how a broad coalition of radical left and civil rights groups is cooperating on a number

of projects. These include efforts to stimulate Negro employment, a campaign to channel investment funds into Negro businesses, establishment of consumer cooperatives and tenants unions and organizations of welfare recipients.

But radicals are also running an experimental school for training community organizers. The curriculum includes such techniques as sit-ins and other demonstrations.

"Our intention is not to have demonstrations for demonstrations' sake," explains Todd Gitlin, 24, an early officer of SDS. "Demonstrations are part of the organizing process." Problem-solving techniques would range, in landlord-tenant disputes, for example, from negotiation of bargaining contracts to rent strikes.

One noted faculty member of the experimental school is Staughton Lynd, on leave from Yale University. Professor Lynd has achieved prominence in antiwar protests including a trip to Hanoi.

Mr. Gitlin says the radical approach will underlie the program, though as to propagandizing: "We don't cram anything down their throats."

Other activities in the city will include research by college students on problems of the urban poor and local participation in the Viet Nam Summer.

Guide for muckrakers

REP hopes community organizing will be aided by a handbook on

research techniques to be printed this month. Prepared by Jill Hamberg, 22, of Hoboken, N. J., a former SDS member, it covers the entire spectrum of local affairs.

The handbook's section on business outlines sources of information on business relationships, affiliations and activities of corporate officers, public contracts held, insurers of property, union representation, occupations of political party officials and part-time public officials and hiring policies.

Purposes of such research could include "good old muckraking" (like attacks on investors in South Africa) and disclosure of "vulnerability" (such as corporate affiliation of trustees of a university under student attack).

Lists of firms with defense contracts already are available.

Such projects, and others like them, can easily be grasped, as can the radical left's efforts to organize textile workers in the South and farm laborers in the South and West.

Less clear is the direction of SDS and related groups. Paul Booth sees more SDS alumni getting into third-party politics, though he believes the current leadership of the organization has little faith in going that route.

Yet Mr. Pepper of the National Conference claims there are 1,000 radical political groups in various stages of formation around the country. "This is the only constitutional road available," he says. **END**

Little noticed in current political hoopla over consumers is how much business is doing to inform and to educate them

The role of business in consumer education is often ignored in the debate over whether the American consumer needs more government protection in the marketplace.

Businessmen spend millions of dollars annually on hundreds of programs and services designed especially to educate the consumer.

Know the difference between a ham hock and a ham shank?

A lot of young housewives do. They found out through literature prepared by the American Meat Institute.

Business also teaches them how to bake a better cake.

Over 5,000 home economists are employed by industry to explain how to do it—and to pass along to housewives a thousand other tips on better food buys and better, more economical ways to feed their families.

Business has involved itself in consumer education for years.

Its concern with the consumer dates back to the old adage: "The customer is always right."

The broad range education program covers almost every topic of interest to the consuming public. For example:

What's the difference between a bank, a savings and loan company and a consumer finance company?

Some 20,000 schools are using materials supplied by the National Consumer

Finance Association to explain difference between these financial institutions. Other association literature explains how to make a budget, manage family financing and handle credit wisely.

Does the consumer really take advantage of these programs?

Last year, the Pillsbury Co. of Minneapolis, Minn., sent out 563,775 recipes, brochures and leaflets. It also makes an average of 15 long distance telephone calls a day to people who have written in with suggestions or with questions which the company feels deserve an answer from one of the eight "Ann Pillsbury" girls of the consumer correspondence department.

General Mills and General Foods distribute thousands of pamphlets and booklets by request each year, and host thousands of persons on tours through their kitchens and plants.

An estimated 100,000 persons a year tour General Mills' Seven Kitchens of the World and General Foods has distributed 200,000 copies alone of its booklet explaining "What Housewives Want To Know about Packages."

(continued on next page)

HOW BUSINESS HELPS CUSTOMERS

HOW BUSINESS HELPS CUSTOMERS

continued

**Pillsbury Co. fills
half-million recipe
requests each year**

A concern of all

Almost every industry trade association, as well as individual companies, are concerned with consumer education.

For schools and other institutions, scores of films explaining almost every aspect of industry are available. Millions of pamphlets are printed and distributed each year.

This, of course, is in addition to billions of dollars spent informing people through advertising.

The federal government is a Johnny-come-lately in the field of consumer protection. Although pure food and drug, securities and other laws have existed for a generation, it was not until 1962 that the first Presidential message was delivered on this topic broadly speaking.

In a message in 1966, the President recommended more cooperation between the federal, state and local governments, saying:

"The task of protecting the consumer cannot and should not be left solely to the federal government. The government can and should provide creative leadership to help states and local communities in their own constructive and determined efforts."

Historically, state and local governments were active in this area long before Washington evinced much interest. They have put thousands of laws on the books to insure protection for our consumers against the relatively rare unscrupulous merchant or manufacturer.

Charles G. Mortimer, retired chairman of the board of General Foods Corp., recently criticized what he terms the "attitude adopted by some public figures who have discovered there is political pay dirt in courting Mrs. Consumer."

Mr. Mortimer warned business that it must work to avoid having consumer confidence eroded. For example, he said, business needs to give further support to such organizations as the local Better Business Bureau.

In many cities, Chambers of Commerce have filled this role through Better Business Practices divisions.

The so-called truth-in-packaging legislation passed by the last Congress is just now going into effect. Chances are it will be sometime before businessmen know exactly what effect its regulations will have on their operations.

New schemes in Congress

But scores of other so-called consumer protection proposals have been introduced in the Congress. Some have called for a Department of Consumers at Cabinet level.

Among these proposals are legislation:

To require lenders and those selling on installment to furnish customers with information on the cost of credit expressed as an annual percentage rate.

To set up federal rules for natural gas pipeline safety.

To license clinical laboratories.

To set stiffer standards for meat inspection.

To require tighter laws dealing with hazardous household products.

Not only does industry spend millions to educate consumers. It also expends immense sums to consult the consumers' wishes—and tailor its products to meet them.

Whether the public knows it or not, hundreds of the products consumers now use are the direct result of consumer desire studies.

A middle-aged mailman is credited by Kimberly-Clark Co. for the idea that resulted in bringing out a "man-sized" paper tissue. He said: "I'd rather use a tissue, but they're too small. I need something hefty, more for a man."

There are untold numbers of other examples. Among them is the slimmer pen developed by Parker Pen Co. to meet desires of some women customers who didn't want a "bulky" pen.

For the businessman who knows his firm will succeed or fail on his ability to please customers, it may seem strange that his concern for the consumers' welfare is not obvious to Washington.

Polling the public

Hundreds of companies make dozens of consumer surveys every year. There are scores of companies who specialize in making these studies for sponsoring firms which usually prefer to remain anonymous.

One is A.C. Nielsen Co., which also conducts television and radio ratings surveys.

Another is the National Family Opinion Co., Toledo, Ohio, which probes consumer attitudes by mail with questionnaires sent to a large, representative list of families.

Among firms placing heavy stress on consumer attitudes are the automobile manufacturers.

General Motors has mailed millions of questionnaires to buyers of its products and its Chevrolet division has held regular consumer panel sessions across the country.

One of the classic stories in the automobile industry is the development of the hard-top convertible. It stemmed from an executive who noted many women drove convertibles, but rarely had the top down. Why? Because they liked the convertible's rakish styling, but wanted a top's protection.

In 1965, Seymour Marshak, marketing research manager of the Ford division of the Ford Motor Co., estimated that his people talk to some 150,000 consumers a year to find out their likes and dislikes.

The automobile manufacturers have also been heavily engaged in school driver education programs for years.

All market research, a way of life for much business, is basically concerned with finding out what the consumer wants and seeing that he gets it.

Aiding low-income groups

But business involvement in consumer education extends far beyond mass sampling of consumer wants. Many, many areas of business are now involved with specific population groups.

The American Home Economics Association staged a national workshop aimed at developing more effective programs to meet the needs of low-income families. Subsequently 67 seminars based on this program were held across the country. It will hold a workshop on "Consumer Credit in Family Financial Planning" in Madison, Wisc., Oct. 9-12.

The association's members, including 5,000 employed by industry, are vitally concerned with schools and social agencies in better family planning and utilization of its resources.

Much of the material developed by business for consumers has been utilized by government agencies, such as the Office of Economic Opportunity.

Another aspect of business' involvement with consumer interest and education are the various testing laboratories, such as that of the American Gas Association which, since 1925, has examined prototype models submitted voluntarily by appliance manufacturers.

Washington, lately, is romancing consumers in the hope of winning votes. Businessmen have always wooed them. You fail to please them and you flop.

END

**Want to know about
packaging? 200,000
learn from General
Foods**

**Exotic kitchens of
General Mills provide
instruction for home-
makers**

**Ham shank? Ham
hock? How to know
easily by charts of
American Meat
Institute**

UNIONS' NEW GOAL:

KING-SIZE



American industry may have to accept widespread goofing off and all its costs as a result of current labor union bargaining aims.

The specter of featherbedding on an unparalleled scale can be seen behind the unions' drive to get guaranteed salaries for employees who now are paid according to what they produce.

If a man who has been used to getting pay based on how much he turns out is suddenly put on salary, chances are he won't work as hard if he can make just as much money goofing off. Or so many labor-management experts believe. The incentive and inducement to produce largely would be gone.

Leading the push to turn wage earners into salary recipients is Walter Reuther, the soak-the-owners president of the United Auto Workers union. This month Mr. Reuther begins formal negotiations for guaranteed salaries in the auto industry. He has flatly promised his members he will succeed.

Many other unions, especially the Steelworkers, whose contracts with the steel industry end next year, are getting set to follow Mr. Reuther's lead on guaranteed salaries. The Rubber Workers already have made it an issue in their strike-ridden negotiations.

If more workers go on salary, it could well intensify all the problems featherbedding already has caused through the years: Lost productivity, higher costs, stifled efficiency, a less healthy economy for the nation.

It could lead to stronger unions, too. By requiring management to

pay each worker full pay whether he performs well or not, more workers would be needed to take up the slack. Unions then could expand their membership vastly.

Featherbedding is one of the oldest, most wasteful practices in industry. It not only squanders manpower and materials, it also prevents owners from taking full advantage of the latest inventions. Progress is left to competing firms at home and abroad.

The profit squeeze on most firms today makes increased featherbedding even more insupportable.

It takes many shapes

Featherbedding is any work situation in which employees do one or more of the following:

1. Limit what they produce through on-the-job loafing.
2. Work at tasks that aren't needed or are sometimes even destructive.
3. Take more men and time for a job than is needed.
4. Refuse to permit time- and money-saving methods and equipment.

Featherbedding's most common forms are production pegging—that is, informal limitations on the amount of work that will be done—overmanning, forcing management to get rid of new equipment and outright sabotage.

Thus, the concept of featherbedding includes restrictions on the number of bricks a man can lay in a day, as well as the notorious "standby" and "extra hand" rules of the entertainment industry.

Featherbedding results mostly from employee resistance to change. Many workers hate the thought of

retraining themselves in order to keep pace with their times. Labor unions provide the physical and political force to allow such persons to smother progress.

This reactionary attitude of unions has received support from the Supreme Court which views featherbedding as a "legitimate labor dispute." That is, an issue which unions can use as bargaining ammunition.

The Supreme Court has methodically struck down state laws that forbid unions from forcing employers to pay for work not done or not wanted.

To see the extent of featherbedding that already exists, here's a rundown of areas where it is most prevalent.

Although the term "featherbedding" originated in railroading, its practice is found in a wide variety of fields—in government-regulated industries as well as in those that are comparatively free.

Printing has been a haven for featherbedders. Some union units have required publishers using automatic typesetting devices to pay union men to set the same material by hand-operated machines. The featherbedders then dump the "bogus type" they have set into a melting pot.

Unions also require newspaper publishers unnecessarily to duplicate mats sent by advertisers.

How unions stop presses

Union featherbedding, combined with outrageous wage demands, has been chiefly responsible for the death of so many newspapers re-



FEATHERBEDS

cently. To force New York City's ill-fated *World Journal Tribune* to accept their featherbedding, unions struck it for 140 days before letting it publish its first edition.

The printing unions also used featherbedding to force *The New York Daily News* to accept a 21 per cent inflationary wage hike last May. They called a whole series of daily five-hour "chapel meetings" during working hours to get what they demanded.

Such sit-down strikes were supposedly outlawed in 1936 in the National Labor Relations Board vs. *Fansteel* case. But government-supported union power is so great today that unions ignore such prohibitions with impunity.

After the 21 per cent settlement at *The News*, the same union leaders smugly announced that all the *World Journal Tribune* could do was to accept similar terms "or shut down." The WJT, only eight months old, already was averaging losses of \$700,000 a month.

Upon shutting down the paper, Matt Meyer, WJT's capable president, sadly stated:

"We could not select the people we needed. We could not place people in jobs where their special skills and talents were best suited. We were compelled to employ 500 more persons than were needed."

"In the first six months of our operation we had a total of 55 harassing disputes, of which 18 resulted in actual work stoppages, each precipitated by a union to prevent us from correcting inefficiencies, reducing overtime or reducing personnel."

In American railroading, feather-

bedding has been wasting more than \$500 million yearly. That is 10 per cent of the more than \$5 billion paid in wages out of the railroad's gross revenue of some \$10 billion.

Shirking on the railroads

Railroad featherbedding includes union demands that some 11,000 unneeded firemen and firemen's helpers be retained on diesels that have no fires to attend. Other time-worn railroad featherbedding includes requirements for telegraph operators and station attendants at spots where trains no longer stop.

Every train passenger is familiar, too, with the crews of workmen who stand by the rails with their hands in their pockets, watching the trains go by.

In the construction industry, featherbedding is used for more than just providing lots of pay for little work. Construction union leaders continually order workers out on strike—whether they want to strike or not—if nonunion people or products appear at construction sites.

Ridiculous featherbedding work rules in construction are legion. In many projects only an electrician is allowed to turn a light off and on. Only a carpenter may nail a board.

In some New York projects, electricians and plumbers are required to sit and watch the operations of temporary wirings and heating plants, even though no safety problems are involved.

Unions make some electricians tear down any ready-wired fixtures and rewire them at the construction

site. A California craft union fines any member who lays more than six squares of roofing shingles a day.

Unions forbid many painters from using spraying devices, rollers or brushes that are more than four and one half inches wide.

The Supreme Court gave another big boost to construction featherbedding last April when it ruled, 5-to-4, that it is okay in many circumstances for unions to strike to force contractors not to use modern prefabricated materials.

Dissenting opinions pointed out that the Taft-Hartley Act's "hot cargo" clause expressly forbids such secondary boycotts. But the Court's majority omnisciently ruled that, even so, Congress probably didn't intend to interfere with work traditionally done by union members.

Following the decision, a carpenters union in Cleveland struck 400 home builders, stopping work on \$250 million worth of new homes. The union demanded that prefabricated doors, trusses, kitchen cabinets and vanities be forbidden. The Association of General Contractors predicts that such strikes will spread across the entire country, crippling construction.

Reversing wheels of progress

Trucking is another popular industry for featherbedding. Teamsters contracts consistently call for extra hands to help load and unload. Wages paid to these men are called "coffee money." The helpers are said to spend more time sipping coffee than hauling loads.

Many Teamsters will unload perishable, refrigerated products at

UNIONS' NEW GOAL: **KING-SIZE FEATHERBEDS** *continued*

warehouses only on certain days and at certain hours. This means that refrigeration trucks must wastefully remain running outside with their drivers until the union-specified times for unloading.

Another favorite Teamsters trick is to forbid warehouses from keeping dock plates, the platforms that go between the truck tailgates and the loading dock. Incoming trucks must wait around until a Teamster official shows up in a pickup truck filled with dock plates. The union official then rents the dock plates at a high rate to the drivers who, in turn, bill the warehouse owners or the trucking firm.

Another money-making featherbedding tactic of the Teamsters is to require that any truck delivering into an area be assessed, usually \$20 per trip, in lieu of having a local Teamster driver ride along in the cab.

On New York docks, longshoremen locals are demanding that goods arriving in large modern containers be emptied and completely repacked by the longshoremen before being moved on.

Of the heavier industries, steel is among the hardest hit by featherbedding. Many new processes and automated devices have been introduced over the years by steelmakers in attempts to compete in the world market. Steelworkers unions, however, insist that crews be kept the same size as they were in the old mills.

A typical result: Five men standing around doing nothing for most of six hours a day, while getting paid for eight, the only productive work required of the whole group being to push a single button twice a day.

Much of the modern equipment in steel needs little of the careful servicing required of older machinery. Nevertheless, the Operating Engineers Union requires that a full old-style crew of oilers, assistant oilers and checkers be kept on hand at all times—in case one of the new devices should happen to turn into an old-type device.

Yankee-Doodle featherbedding

Managers sometimes blame themselves for not standing up more firmly against union pressures for featherbedding. But unions have even pushed around the government of the United States. An example is the way unions have in-

stituted featherbedding at vital missile sites.

A favorite union tactic used at Vandenberg Air Force Base, Calif., is called "blessing the manifolds." When manifolds of prefabricated pipes arrived on the base, union pipe fitters used to demand the right to take them apart and rebuild them.

After awhile it became apparent to the unionists that the job of putting together such complicated piping was beyond them. They decided a better featherbedding ploy would be for a group of pipe fitters simply to mark, or "bless," each manifold. Then they would sit around it for from one to four hours, the time they figured it would have taken them to take it apart and put it together—if they knew how.

When automatic equipment such as gas boilers and air-conditioners were installed at other missile bases, Uncle Sam shelled out to have stationary engineers sit by in a chair 24 hours a day, seven days a week, and watch the automatic devices do the work.

At one missile base, taxpayers contributed some \$75,000 in wasted wages to get liquid nitrogen from trucks to tanks. The unions required that the trucks be manned with:

- One truck driver who drives.
- One laborer who handles the hose.
- Two pipe fitters who connect the hose.
- One electrician and one electrician's helper who push a single button.

And one engineer who just stands. Featherbedding reaches into local utilities, too. Residents are often amazed at the number of times the same street in their neighborhood is dug up and covered over in a short span of time. This often is because different unions at water firms, electric firms, gas firms and sewer firms each demand the right to do all the shoveling at whatever job they're involved in.

Featherbedding extends, too, into the professions. For example, unions for registered nurses continually refuse to let practical nurses handle some of their nursing overload.

An economist once asked a high school principal why he didn't have some of his brightest students help ease the teachers' work load.

"He told me that he had made this specific proposal to his faculty,"

the economist recalls, "but they were overwhelmingly opposed to it, as was their teachers' association, for fear that if the proposal were adopted, boards of education might decide to reduce the budget for teaching."

Union way of life

Another maddening aspect of featherbedding is that although the courts consider featherbedding a proper matter for collective bargaining, few unions will ever back down on the practice. Union bosses feel their own jobs depend, above all, upon preserving the job slots for their members.

Unions usually turn deaf ears to management arguments that technological improvements create new jobs that usually are more exciting and more lucrative to employees.

There have been several attempts to pass federal antif Featherbedding laws. Most proposals consider featherbedding practices as restraints of trade under the Sherman Act and would empower federal courts to issue injunctions against them.

From reading the Taft-Hartley Act, a person might conclude that the federal government already forbids featherbedding.

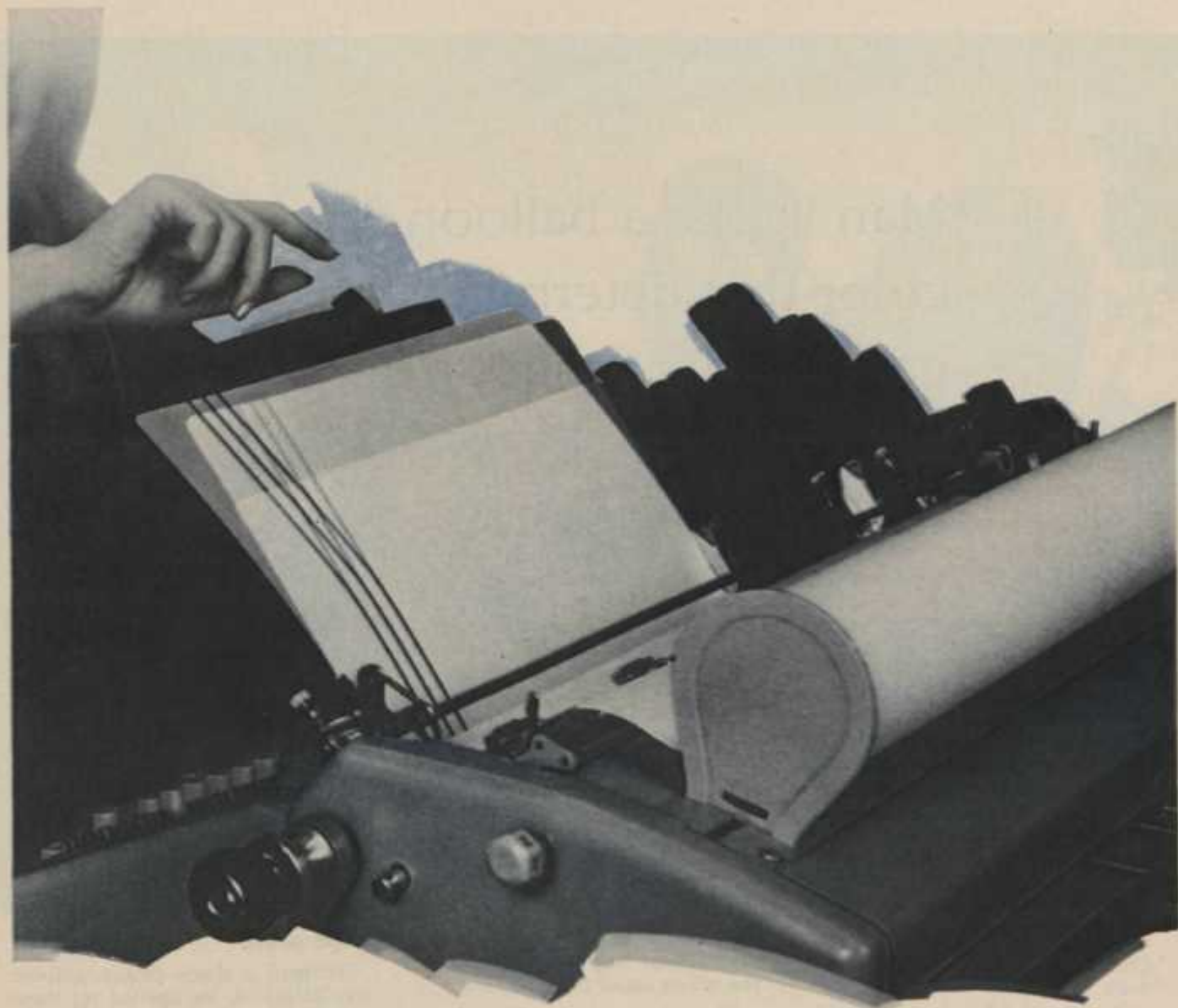
Taft-Hartley clearly states that it is an unfair labor practice "to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value in the nature of an exaction, for services which were not performed or are not to be performed."

The National Labor Relations Board and the Supreme Court, however, have rendered this clause practically meaningless. They have ruled that it does not apply so long as some form of work—even if it's trivial, unnecessary or unwanted—is performed or services rendered or just offered by employees or unions.

Most businessmen oppose further government intervention into labor-management affairs—even at the price of the continued burden of featherbedding.

The real solution, they agree, is to remove the many special privileges the federal government has given to unions. These privileges have given the unions the incredible power to enforce the wasteful, esteem-killing, economy-shrivelling absurdity of featherbedding. **END**

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HE HELPS THE POOR

"Man is like a balloon. It's not his color that determines how high he can rise but what's inside of him."

"Integration Without Preparation Is Frustration."

"Build, Brother, Build, not Burn, Baby, Burn."

Slogans like these underlie one of the most successful efforts in the country today to bring training, jobs and self-respect to disadvantaged Negroes.

They are the brainchild of the Rev. Dr. Leon H. Sullivan, six foot five inch, 44-year-old pastor of the Zion Baptist Church in Philadelphia's teeming Negro ghetto.

A few weeks ago, hundreds of Philadelphia businessmen paid tribute to Dr. Sullivan as he received the William Penn Award of the Greater Philadelphia Chamber of Commerce in recognition of his work.

It was a different story a few years ago when the "Lion of Zion" and the Philadelphia business community stood at sword's point. Rallying the support of 400 fellow Negro pastors, Dr. Sullivan had spearheaded an aggressive consumer boycott against 29 top Philadelphia companies for not hiring Negroes in more than menial positions.

Employment barriers came tumbling down. Then reality set in. Philadelphia had thousands of jobs going begging but few of the city's 100,000 unemployed—mostly Negroes—were equipped to get on the payroll.

It was here Dr. Sullivan conceived the idea of establishing Op-

portunities Industrialization Centers to train the unemployed. He enlisted the help of business. Cooperation was almost instantaneous. A Philadelphia philanthropist gave a six-story building. Tools, electronics equipment, a computer, a whole chemistry lab and many other things were donated in short order.

In the following interview with a NATION'S BUSINESS editor, Dr. Sullivan tells how the program works and how it has spread across the country:

Dr. Sullivan, the concept for setting up your Opportunities Industrialization Centers began with a program you sponsored to break down barriers against Negro employment. Will you tell us about that program?

The selective patronage program was a massive economic campaign participated in by the whole colored community. We picked one company at a time that practiced discrimination against Negroes, and we withheld our patronage from it.

Imagine how devastating it would be to one company at a time when a quarter of a million people would stop patronizing them.

I understand the ministers would get up in their pulpits on Sunday and hammer away at one particular company?

Yes. After we finished talking about God, we talked about the company, never maliciously and al-

ways with the understanding that it was being done to support the free enterprise system rather than to destroy it. Because I believe in free enterprise.

But the benefits of the free enterprise system weren't filtering to my people. I was getting crumbs, so I decided that we should get some of the bread instead.

Was this selective buying successful in getting more Negroes hired?

It was the most successful civil rights tool on job placement in the country.

And it was accomplished without a single picket?

Without a single picket, without any litigation, we opened up thousands of jobs. And the selective buying movement spread all across the country under different names.

I understand that while you discovered you could open the doors to Negro employment, you found they were not trained enough for the jobs?

Not trained enough. And I realized this was getting worse and worse. I could not request something from business if I could not produce.

I said integration without preparation is frustration, and protest without progress is empty.

And with those themes I then developed what is known as OIC, Opportunities Industrialization Cen-

HELP THEMSELVES

PHOTO: WILLIAM A. CHAMBERLAIN



Dr. Sullivan and machine-shop trainees who soon will be grabbed up by plants eager to hire skilled workers.

ters. This was a program emanating from the people themselves, tailor-made for the common man, a program of the people, by the people and for the people.

Is this when you went to industry to tell them what you had in mind?

I went to industry because I realized OIC couldn't succeed without the support of industry. OIC and industry had to form a partnership.

Industry needed workers, we needed jobs.

So I went to industry to find out what jobs were available, what they needed manpower for and built my

curricula around industrial needs.

Did you go to some of the businesses that were victims of your campaign?

Yes.

How were you received?

Very warmly. As a matter of fact, after every selective patronage campaign the companies became supporters, because the problem they thought existed in employing colored people never existed at all.

What are some of the problems they feared?

Negroes working with whites, using the same lavatories; white

patrons not wanting Negroes to be in sales positions; the idea that Negro men couldn't work around white women and white men around colored women, the idea that problems would develop. Many felt Negroes weren't competent.

They found out this was untrue, that a workman was a workman and that people are concerned about their own livelihood and their own position over and beyond race.

When the initiative is taken by management, and they say this is what we do, then we found that employees accept it.

We selected areas of training where we knew that jobs were avail-



Apartment complex is one of proudest achievements of Dr. Sullivan, at right.

HE HELPS THE POOR HELP THEMSELVES *continued*

able. I got industry to supply me with equipment to help in training. They were all cooperative.

Many companies gave me volunteer instructors at first for a brief period. And then money, but not until I first got money from my people.

I never ask people to do something for me until I first do it for myself.

So I went to my community to secure money for the program, to my church, to other ministers and their churches, to taverns, taprooms, beauty parlors and barbershops. All Negro.

Then an anonymous benefactor heard of what I was doing, believed in it and gave me \$50,000 to really get my program going. It was from that one benefactor, and the faith the people had in what I was trying to do, that I opened my first OIC.

Do you think the federal poverty program is not working as well as hoped because there is too much reliance on Washington?

Well, you need massive financial support for educational and poverty programs. But there's a problem when the initiative and the program come from outside the community.

I know the direction of the poverty program is well-meaning. I know there is an intense sincerity on the part of those involved.

But the element of self-help may well be the one element that spells

success or failure. And perhaps the one element, the most important element in our program is self-help.

To put a man behind a machine, to teach him, is not enough. He has to get ready for training.

There had to be a prevocational preparation program before you could train a man to be a machinist or draftsman.

So I created the feeder program.

This is the program where you look at the personality, the grooming?

Yes, what we call attitudinal training. Fifty per cent of all OIC work is attitudinal, the other 50 per cent is educational.

Would you explain the attitudinal aspect of your program?

Most people come to OIC believing they are inferior and incapable. Many of them have behind them a series of failures. Some 75 per cent of our people have been dropouts. The median school grade attainment is eight years, the median age is 28.

So we have full-grown adults, many of whom never went to high school. They have been conditioned to believe the only thing they can do is service jobs.

So I found it necessary to unwash the brainwashed minds. I had to build self-confidence in them.

We taught them that a man is like a balloon, that it's not a man's color that determines how high he can rise, but what he has inside of

him. And I found the key to motivation is self-respect.

We teach grooming, how to dress.

You teach a man how to walk, a woman how to sit down and cross her legs, a man how to stand with his head up and his shoulders back. You are somebody—self-respect.

I have seen thousands of cycles of poverty broken in this way.

Cite me a dramatic case of one of these extreme poverty cases.

There is one fellow who was a dropout. He couldn't find a job anywhere. He'd take a job, and he would be out the next day.

He caused people—himself included—all kinds of trouble. Then he went into service. He came back and still couldn't find a job. Mad now at everybody because he had fought for his country and still he couldn't find a job.

We sent him to OIC. The first few weeks he did not think he could stand it. We kept encouraging him to stay.

One Sunday morning, after about four months' of OIC training in sheet metalworking this boy, who wasn't a member of my church, came up the aisle after the service.

He was excited.

He was waving something, and said, "Reverend, I've got it."

"What have you got?"

He said, "Look."

It was a card from Budd (the company that makes railroad cars) telling him he was employed as a sheet metalworker.

Then he put the card in his pocket, pulled his coat down, straightened his tie, squared his shoulders and said, "Reverend, I don't have to be on nobody's relief any more."

He walked away, head up, shoulders back, straight as a ramrod.

Now he drives a new car, he bought a home, he is enjoying church.

In the OIC this boy found himself.

About now people outside Philadelphia were becoming aware of the program. What happened?

Finally, they heard about my program in Washington.

I got money for my feeder program from the Department of Labor. I got a grant from the Ford Foundation.

Then the Office of Economic Opportunity was born, and Sargent Shriver heard of it and they put a



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HE HELPS THE POOR HELP THEMSELVES *continued*

million dollars in it to really begin pushing us on our way.

We have trained more than 3,000 people through our program here, with 90 per cent placement, and that is a conservative estimate.

We don't give stipends in OIC; people come because they want to. I have about 10,000 people on a waiting list, mostly Afro-Americans, but of all colors. OIC's now are in operation to some degree in 60 cities across America and one is developing in Puerto Rico.

One of the areas where you have an OIC is Watts. Initially there was a great deal of resistance to it, wasn't there?

Yes, the first year we had a lot of political problems and leadership problems.

Also, I don't believe the community had done enough for itself at the beginning. They got a large contribution right away from the Ford Foundation.

Now that I look back on it, I think a little struggle at the beginning would have helped more.

Have business and industry been as cooperative in other areas as in Philadelphia?

Absolutely. One of the keys to the success of OIC has been the tremendous support of industry.

There is a genuine concern and it is becoming more and more intense, mainly because industry has found OIC is good business. It not only supplies manpower for industry but it also plows more consumer dollars into a community and enriches it. And it takes people off relief.

We have added \$10 million a year to the purchasing power of Philadelphia already and we are saving our commonwealth about \$1.5 million yearly in relief checks. And it is going to pyramid.

In 10 years, in Philadelphia alone, OIC will have meant over \$200 million dollars to the economy of the city.

I understand when you train people for a particular skill, you have already investigated and found there is a need for that skill?

That's right. You must remember our partnership with industry is more than just perfunctory.

It is very intense and very real.

We have industrial adviser committees in every skilled area in which we work. And we have more than 200 companies that have employed OIC people.

So it's becoming broader and broader.

The building trades unions have been particularly discriminatory against Negroes. Have you been able to overcome that?

They say Negroes aren't prepared to go into their apprenticeship programs. So I dedicated a center in Philadelphia to train people in building skills, bricklaying, masonry, electricity, plumbing. I am training them now by the hundreds. The unions were very much concerned. First they wanted to stop it. But of course, they can't stop me.

How have they tried to stop it?

They indicated we couldn't do it. But when they tell me I can't do it, I just go ahead and do it anyway.

So I structured our curricula so that it was equal or superior to anything they have.

I got my manpower and opened my training centers, and the amazing thing is I found three quarters of the work isn't done by unions.

So I had trouble holding my trainees because people would want them. They got jobs real fast at good wages. Now the unions are saying, "Let's tie into OIC and develop a relationship here with them."

They have become very firm supporters of ours. And as a result of our work, two Negroes were authorized by the union to be union contractors.

You think the barrier has been knocked down so far that unions will accept Negroes for full-fledged membership?

Through the work of OIC and of other people, the barriers will come down. As a matter of fact, I knocked out a few bricks already.

Whitney Young of the Urban League, says race relations isn't a question of winning over white people; it's sheer economics. How do you feel about this?

He is right. This is the next phase of the revolution. And it's



Dr. Sullivan and Mrs. Ruth Duca, center, an instructor, talk over food serving course with trainee.

the hardest phase: Training, education, preparation.

It is not going to last one day or one week, or a year. And nobody living, no colored adult living today, will see the end of this phase of the revolution.

Dr. Sullivan, is "black power" any part of the concept of your program?

Some people would say what I am doing is black power.

Well, I say that black power without green power and brainpower is no power.

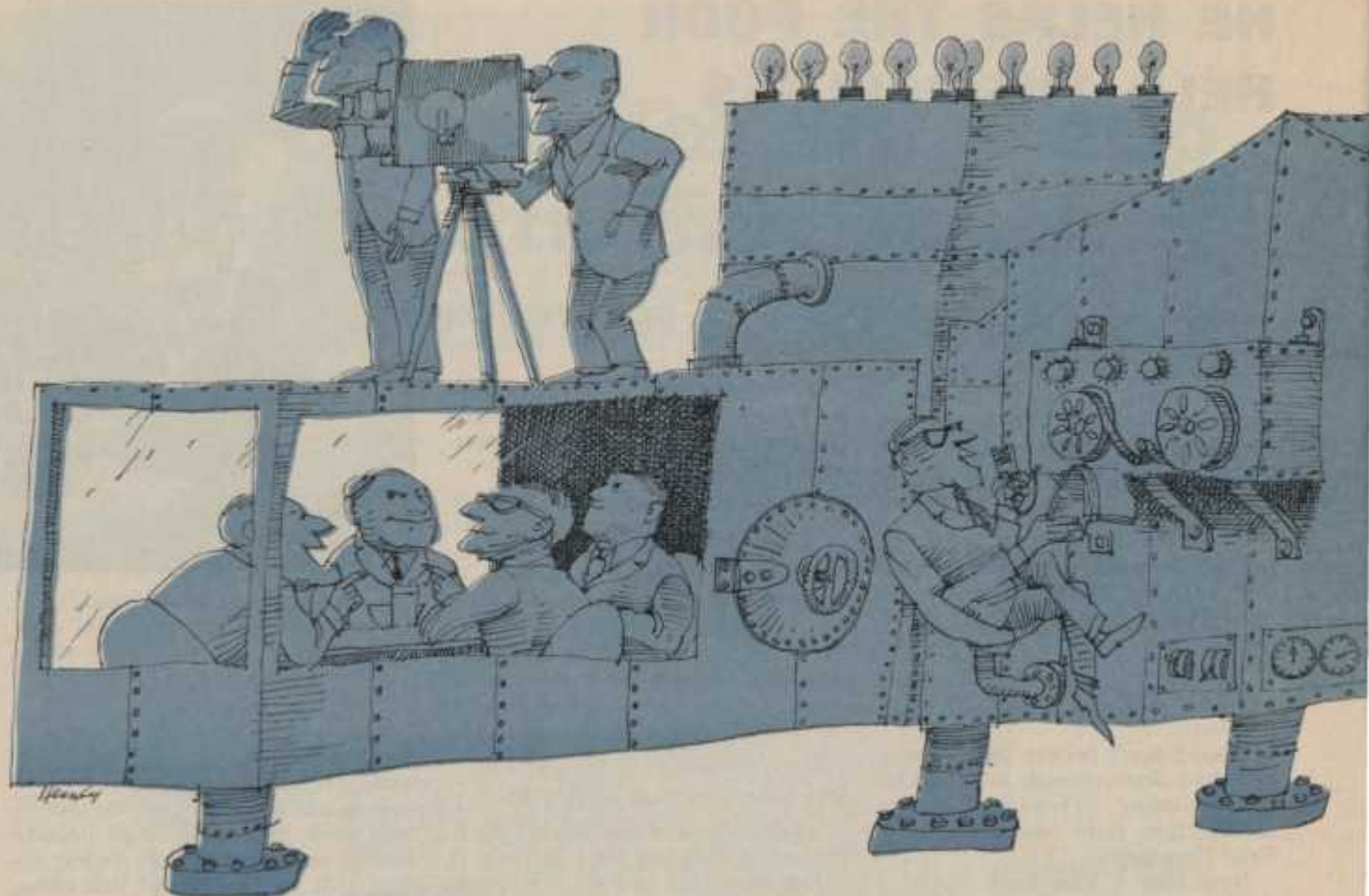
Black power when it's linked with white power becomes American power, becomes great power, becomes creating power, becomes wealth-producing power.

I took 200 members of my church and had them put \$10 into a fund for 36 months. With that money I built a million dollar apartment complex.

That was green power, colored people putting their money together to build, brother, build. They own it. That's power.

For the first time I see colored people really getting in the main stream of the economic development of this country. That's my dream and ambition.

And if I do this, then I have made my ministry relevant for my day. Because I see my ministry not as helping people get into heaven, but to get heaven into people. And not to give them milk and honey in heaven, but to give them ham and eggs on earth. **END**



UNCLE SAM'S

There is no Madison Avenue in Washington, D. C. But when it comes to selling a cause, advertising a campaign, propagandizing a program or peddling public affairs, the men along New York City's Madison Avenue have nothing on the men and women along Pennsylvania, Constitution and Independence Avenues, in the Pentagon or in the double-winged, majestically domed Capitol.

In the realm of what can be termed the Five P's—Propaganda, Publicity, Public Affairs, Promotion and Public Information—those on Uncle Sam's payroll (on your payroll, actually) have few peers. They have become experts at the hard, soft and medium sell, often using the defense, excuse and ra-

tionalization of "the public interest."

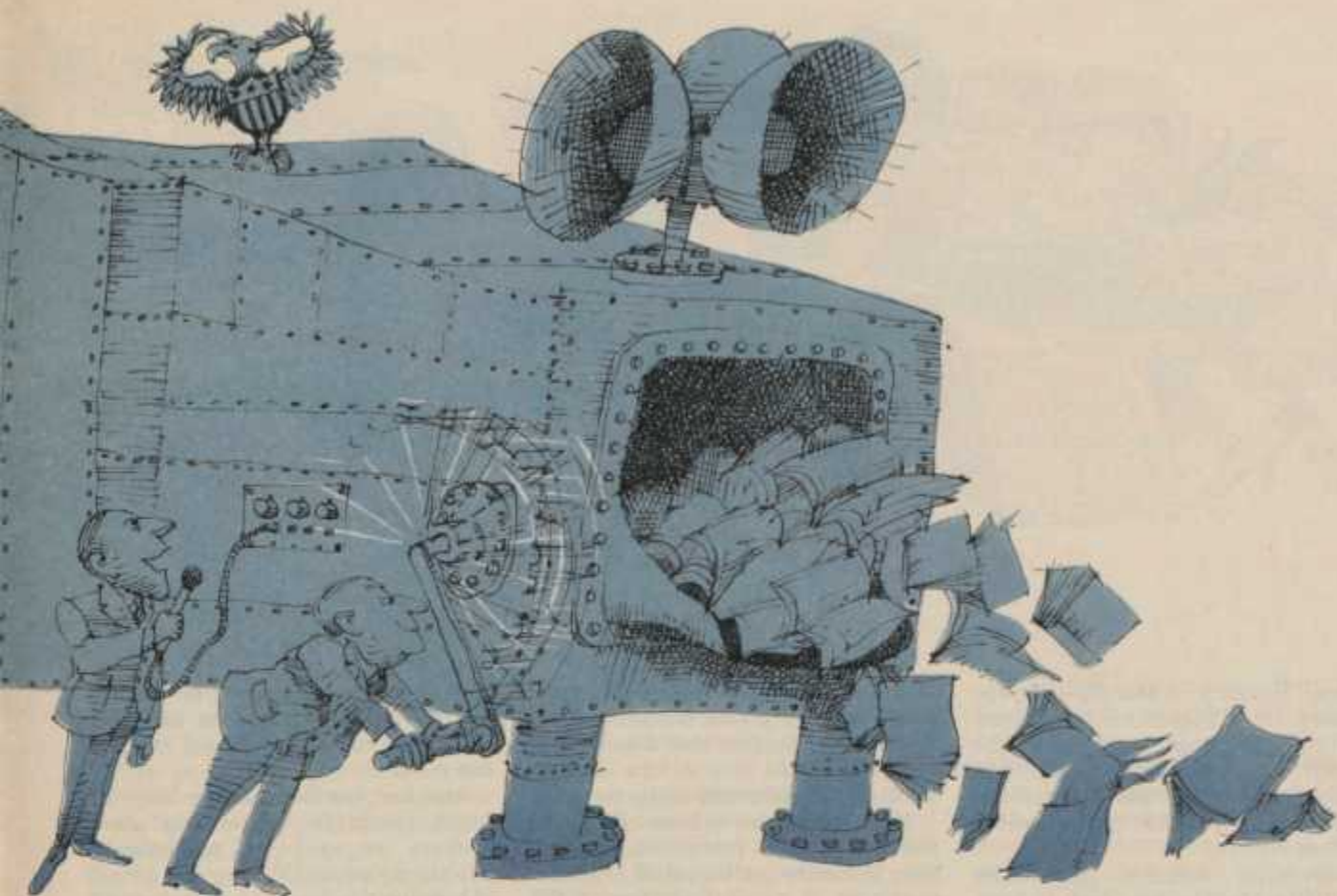
Their huckstering activities are increasing every year.

Indeed, the widening government efforts in the world of the Five P's remind one of a phrase from Mark Twain's "Roughing It":

"Information appears to stew out of me naturally, like the precious attar of roses out of the otter."

An investigation by NATION'S BUSINESS yields the inescapable conclusion that the government's promotion and propaganda activities are, at the minimum, keeping pace with the continued growth of overall federal business.

The exact number of dollars and personnel involved, to be sure, is hard to pinpoint. For one thing, the



DRAWING BY JOHN HEINTZ

BRAINWASHING MACHINE

federal budget doesn't break down spending by the Five P's, and individual budget officials and public affairs spokesmen are reluctant to evaluate exact expenditures in these areas.

Then the exact dividing line between legitimate promotion, public affairs and information and outright propaganda and extracurricular sell is often unclear. Nonetheless, discussions with more than a score of government officers, a look at statistics available and evaluations by private publishing and public relations spokesmen clearly indicate Uncle Sam's voice is getting louder and his efforts to sell federal ideas, philosophies and programs is swelling.

The most evident indication of

this is found in the upward trend of printing production and costs and visible promotional material being distributed by many agencies.

The paper blizzard

In 1966, the Government Printing Office (GPO) supervised the printing of 1.17 billion copies of Government documents—everything from the *Congressional Record* (cost: \$16.9 million), Defense Department materials (cost: around \$55 million) and Commerce Department reports and publications (cost: \$9.89 million) to papers of the Health, Education and Welfare Department (\$8.7 million), Agriculture Department documents, publications and books (\$5.7 million) and the annual reports of the Battle

of New Orleans Sesquicentennial Committee (\$6,000).

The 10-year growth of this paper blizzard, in short, was 116 per cent.

All in all, during 1966 GPO billed executive branch agencies and the legislative branch for \$167.2 million worth of printing.

This year government documents, books, reports, pamphlets and digests will be published on everything from the President's Economic Report to Agriculture Department booklets on alfalfa, apples, avocados and weed control.

Many of these, of course, are necessary and valuable to a variety of citizens and businessmen.

Thousands will be of dubious value and questionable motive—including, for instance, the Housing and

UNCLE SAM'S BRAINWASHING MACHINE

continued

Home Finance Agency's 53-page booklet on "Technique of House Nailing" (20 cents), and the Public Health Service's "How Safe Are Motel Pools?" (a "limited number of copies are available upon request" without charge).

Occasional outcries apparently don't stop the swelling rush to publish by federal agencies. One of the more celebrated protests came during the 1952 Presidential political campaign.

Candidate Dwight Eisenhower lambasted a pamphlet called "Tools for Food Preparation and Dishwashing." He particularly cited a section which suggested that "dishpans should be large enough to hold the dishes but not too large for the sink."

The publication was discontinued, but shortly afterwards the Government came out with such productions as "Shrimp Tips from New Orleans" and "Seminole Indian Music."

Flossy as the slicks

Not only is the total number of government publications increasing but so is their quality and costs. Some rival in color, layout and eye appeal even the slick women's magazines.

The Interior Department's latest annual conservation yearbook (called "The Third Wave") is an example. It sells for \$2 and, according to one spokesman, is "a smash."

Obviously, such government publications are direct competitors for private authors and publishers. The latter are free, by the way, to reprint and possibly profit on any govern-

ment publication, which—once issued—is in the public domain.

The fact remains that Uncle Sam today operates one of the largest publishing businesses in the country.

Not only is the volume of federal publishing and promotion moving ever upwards but its retail sales department is expanding, too. GPO long has operated a government bookstore in Washington. Now it has others in the capital, in Commerce Department and U. S. Information Agency, is dickering to open one in the Pentagon and other Federal buildings in Washington and has opened similar sales offices in Chicago and Kansas City.

Indeed, it appears GPO plans to run a bookstore in every new Federal building across the country, and operate it in conjunction with "government information centers." They will include data and advice on civil service and guidance on programs, facilities and operations of most major executive departments and agencies.

Even today, more than 500 federal employees work in GPO bookstores, selling more than 67 million copies of documents annually and distributing 90 million more copies to libraries and to persons receiving 320 periodicals and other publications on a regular basis.

On the surface, government publications are priced to recover costs.

Printing and publishing totals are a matter of public record. But largely untraceable and unmeasurable is the over-all cost of government efforts in the Five P's area.

A federal public information officer, for example, might during part

of a day be engaged in direct, straight-out dissemination of information to news media and even to the public.

Another portion of the day he might spend in supervising other workers engaged in gathering a strictly promotional program aimed at helping the agency ballyhoo some new and untested idea.

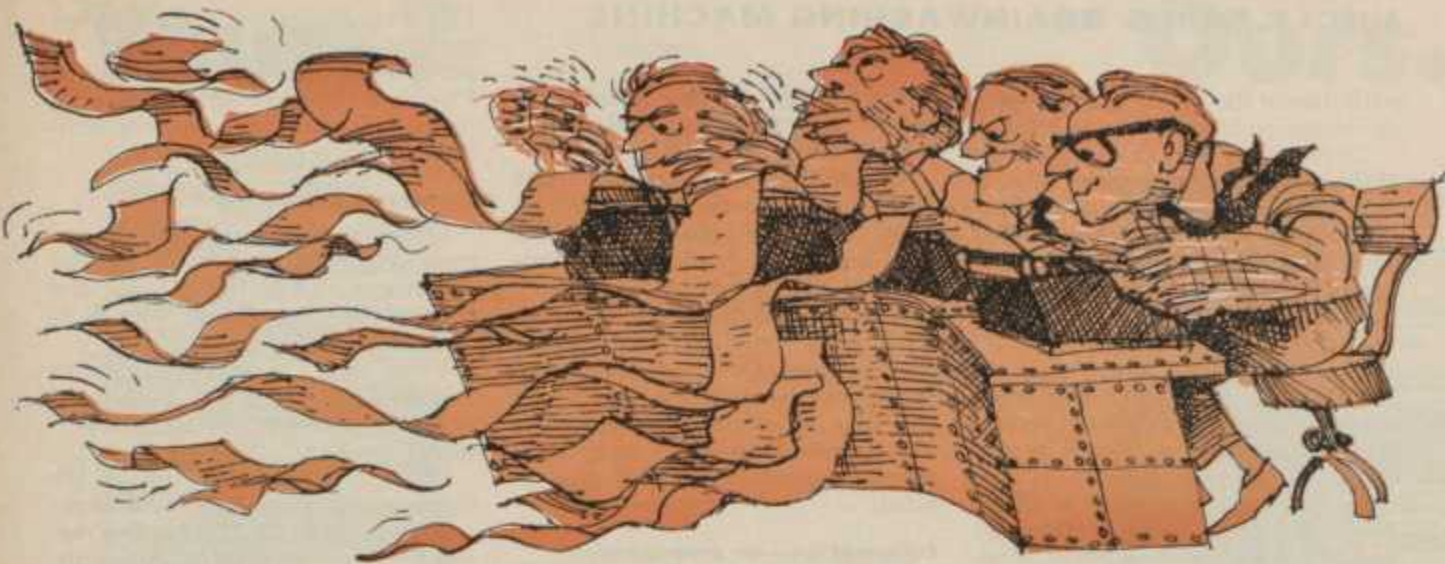
More and more drum-beaters

Signs are clear that the number of federal employees in promotion, publicity and public affairs is increasing. A portion of this increase is defensible, on the grounds that the public (mostly through news media) has a right to the facts and operations of the increasing number of federal agencies, departments and offices.

Yet government's use of the hard and the soft sell runs through the spectrum of the executive branch: From the President and his Cabinet to their special public affairs assistants and press men—political and career.

President Johnson, more than any of his predecessors save, perhaps John F. Kennedy, makes a practice of summoning various groups to special White House dinners, luncheons and briefings so all can "reason" together. Usually, the reasoning consists of an earnest talk by the President and chart talks by his aides. One White House observer unofficially counts more than three dozen such events during the past two years.

"Backgrounders," unique Washington affairs, are held by officials from the President on down.



An Administration official calls in newsmen and provides inside thinking or "background" on policy or future programs—certain or tentative. The source of much information, if it can be called that, is never divulged.

The executive branch "plants" its idea, or the seed of one, and can always deny being the original source if the idea backfires or doesn't catch on. These backgrounders, too, are increasing—particularly because Lyndon Johnson doesn't like his staff to talk on the record; LBJ likes the fount of hard news to be LBJ.

Recent White House special sessions and backgrounders, for businessmen, labor leaders as well as communications media, have centered on balance of payments, the budget, Viet Nam, interest rates and even beautification.

Meanwhile, a growing number of agencies are sponsoring special briefings and indoctrination sessions for outsiders—a good way to sell hard in soft fashion.

Brainwashing the press

The State Department, for example, has "institutionalized" (the word is used by one department official) biannual editors' foreign policy briefings.

Supposedly, the visitors get the latest inside information on policy. These briefings, almost without exception, are rehashes of information already published and discussed.

Yet the State Department gets a chance to propagandize its viewpoint.

Last year, the Office of Economic

Opportunity—the antipoverty operation—sponsored three seminars for 100 newsmen to outline agency policies and enable the visitors "to get a better perspective of what we're all about and a better perspective of the local programs back home," to use the words of one Shriver aide.

This year, OEO has sponsored a similar meeting.

OEO, also has found a relatively new technique to advertise its programs; it has made available some of Mr. Shriver's statements on tape recordings which anyone can hear by dialing a special phone number.

Robert Weaver, Secretary of the new Department of Housing and Urban Development also uses this telephone technique.

The LBJ treatment

One of the greatest sell programs of recent years in the business area took place just before, and after, President Johnson announced his new measures to help correct the international balance of payments account.

One of the major sections was a "voluntary" program to limit overseas lending and investment by banks and industrial corporations. This was something new in American policy and new for American business.

So the White House, with the help of former Commerce Secretary John T. Connor, Treasury Secretary Henry H. Fowler, Economic Adviser Gardner Ackley and even members of the Federal Reserve Board, began a massive speaking, letter-writing, background briefing

and private consultation effort. One source estimates more than 1,000 businessmen and bankers were called to Washington for "the treatment." Thousands more got letters from high-level Administration officers, and members of the news media were urged to write on the subject. The program was, and still is, "voluntary," but that philosophy sometimes got lost in the Five P's shuffle.

Today, it's estimated that more than 6,500 Federal employees are involved full or part-time in the Five P's area. In a sense, they are only the tip of an iceberg. Within the Agriculture Department, for example, the fruits of experimentation and research frequently are publicized and printed in booklet form.

Therefore, it can be argued that the research people themselves are spending at least a part of their time in promotion and publicity. The military has about 2,500 persons (at the Pentagon and in the field) working in the Five P's—and, one might add, at suppression of developments which might or might not help the enemy.

\$400 million, plus printing costs

All told, Uncle Sam's spending in the Five P's totals between \$375 million and \$400 million a year, apart from printing costs. The total within the Agriculture Department is thought to be more than \$8 million. For the National Aeronautics and Space Administration (NASA), the figure runs around \$10.5 million and for Health, Education and Welfare, \$7.6 million.

Government officials assert their

UNCLE SAM'S BRAINWASHING MACHINE

continued

activities in the Five P's are "rooted in the public interest."

"Everything you put out, everything you publish, somebody is interested in it," says one officer within the Budget Bureau. Other Federal spokesmen argue that the basic legislation creating their departments or agencies specifically included orders to "disseminate information."

Federal agencies offer, in competition to private publishing houses, such publications as "The Why and What of Bookkeeping" (\$1.50), "Starting and Managing a Small Retail Hardware Store" (30 cents) and "Cash Planning in Small Manufacturing Companies" (\$1.25).

"Employee Conduct" (30 cents),

"Maintaining Work Flow" (25 cents) and "Planning and Organizing Work" (20 cents).

In addition to its colorful (and expensive) conservation series, Interior offers an eye-catching 561-page hard cover book called "Birds in Our Lives." Price: \$9.

Government spokesmen also contend some publications actually save money. Booklets, distributed in response to incoming letters, cost less than answering "the hundreds and thousands of letters we get asking for information," says one official.

Information—or propaganda

Several recent developments indicate the government's promotional activities smack more of propaganda than simple response to public demand or legislative directive.

More and more agencies, for example, are offering official magazines that include not only descriptions of programs but blown-up pictures and layouts of Secretaries, officials and President Johnson. Interwoven with results of projects are Great Society philosophies and criticism of critics.

Among the newest of these magazines is that of the Food and Drug Administration (FDA). The first edition drew this comment from Robert A. Saltzstein, general counsel of the American Business Press, an organization of 450 business and technical magazines:

"The FDA is covered widely by newspapers and magazines of all kinds. We fail to see the necessity of publishing this magazine at taxpayer's expense." He labeled as "government propaganda" two articles in the FDA magazine—one on the agency's stand on pharmaceutical advertising and the other defending FDA's own organizational setup.

The Public Health Service recently began distributing 100,000 copies of a colorful report describing progress achieved in health research and medical care during Lyndon Johnson's Presidency.

Critics immediately denounced it as political propaganda and promotion.

The agency, as might be expected, defended it as necessary to keep the public informed.

The report cost \$17,000 to print.

Using a similar "keeping the people informed" argument, the Office of Education distributed almost 100,000 copies of its "Report to the

People on Education." The 64-page publication, which cost \$25,000 to print, was complete with pictures of President Johnson signing an education bill, shaking hands with children and even holding a baby.

Commerce Department series

Of particular interest to businessmen is the series offered by the Commerce Department on the theme: "Do You Know Your Economic ABC's?"

There now are seven booklets in this field. The first was distributed in 1963. It covered the "Gross National Product."

Other topics include the "U. S. Balance of Payments," "Science and Technology for Mankind's Progress," "Patents: Spur to American Progress," "Profits and the American Economy" and "Your Economic ABC's."

In a sense, this series competes with other series, books and publications issued by universities and private organizations and publishing firms.

James G. Morton, former special assistant to the Secretary of Commerce in the public affairs area, was largely responsible for publication and distribution of the series and for other promotional distributions made within the Commerce institutions. Mr. Morton was one of the most articulate government spokesmen in explaining and defending the government's swelling activity in the Five P's area.

He argues that dissemination of economic knowledge "strengthens the free enterprise system. . . . How is the businessman going to become acquainted with the surveys, policies and statements of our department and the government unless we distribute the information to appropriate businesses and through appropriate channels? I think businessmen want to know about these things."

One might answer, of course, the private news media—newspapers, magazines, technical publications, radio and television—all presently print and disseminate government information.

Of course, it is not the dissemination of "facts, data and news" which is at issue. The public requires this service, and depends on Washington to assemble the economic and statistical facts and trends upon which the private sector relies.

Rather, the issue is that in the rising zeal for promotion and publicity, the government is resorting in a greater and greater degree to propaganda. **END**

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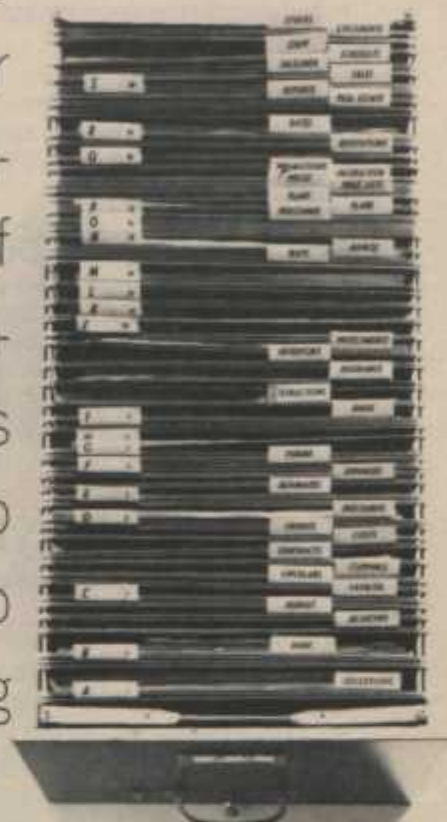
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BUSINESS: A LOOK AHEAD

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Surge in piggybacking

(Transportation)

AGRICULTURE

Automation in dairy industry gets new push. Means more workers available for rural communities.

Fully automatic feeder for cattle has just been unveiled by Agriculture Department and University of Illinois research team after years of development. Designed for dairy cattle, it also has use in beef cattle industry.

Device uses four bins, permits varying mix of feed content for different types of cattle, depending on milk yield. Timing of feeding can be adjusted.

Development will reduce farmers' time devoted to feeding from several hours to 30 minutes per day. Will let small-scale operators maintain farms while holding down full-time off-farm employment.

CONSTRUCTION

Campaign for clean waters takes a new tack, involving builders in rapidly urbanizing areas.

Sediment—good, clean dirt—is the prime source of stream pollution, especially in developing areas where silt content in streams is up to 50 times the average.

Construction site dirt, erosion by the ton, works into streams. One sur-

vey found 2,300 tons of sediment per mile in Potomac River.

Government at all levels is taking harder look at problem as one million acres annually undergo development.

House Government Operations subcommittee on power and natural resources made trip to West Coast this spring to study sediment problem. On East Coast, county in Washington suburbs recently was considering antisediment ordinance. One major builder there has already taken steps called for in proposed law.

Techniques long used to combat erosion on ploughed farmland offer promise in urban areas. These include temporary grass covers to hold nearly cleared soil, dams forming "catch basins" to capture silt, and grassy areas designed to filter silt out of surface water runoff.

Government spokesmen see increasing interest in combating problem reflected in hundreds of state, county and town officials, builders, landscape architects and conservationists who turned up for special conference on sediment pollution in Washington last month.

CREDIT & FINANCE

Interest rates to edge still higher.

This is growing concern of academic, private and government observers who point to continued high government borrowing and spending at a time of high demand for funds.

Besides federal activity, demand comes from local governments (which have been deferring urgent capital projects) and from businesses borrowing now in anticipation of higher interest rates.

Such forces prompt Leif H. Olsen, senior vice president and economist, First National City Bank, to warn:

"From the standpoint of the political requirements, the best thing Washington can do is to reduce its interference with the private economy, to give it the best possible environment, encourage maximum profits and a tax structure that operates efficiently to produce the maximum revenues, not maximum rates."

Background of credit picture, of course, is economic uncertainty. Measure of uncertainty is decision of House-Senate Joint Economic Committee to hold midyear review of nation's economic situation—first time since 1962.

FOREIGN TRADE

More and more states get involved in export promotion.

One sign of the times: 13 states are expected to participate in hard-sell exhibit at Cologne this fall, compared to seven at similar event in Munich last year.

U. S. officials have no estimate of sales success, though they cite one state's sale of a quarter million dollars worth of turkey meat alone. Another indication of success: Six of last year's seven are returning to Germany to exhibit this year.

Agriculture Department trade promoters arrange for exhibit facilities, (reimbursed at cost), provide display space for companies with their own exhibits (doubling exposure) and even provide staff to man a company's booth while a sale is lined up.

One state's approach is explained by H. Dale Wakefield, food export consultant in the Chicago Department



PHOTO: SCURIE BRACK—BLACK STAR

Suburban builder applies erosion control at project site to cut sediment pollution of streams (see Construction).

of Business and Economic Development. The Illinois goal is to promote diversity of state capabilities in production and processing, plus transportation advantages via air routes and St. Lawrence Seaway.

Noting that such exhibits attract wide range of prospective customers, he asks: "Where else could we hit 1,200 tradespeople at one time?"

MANUFACTURING

Lots of new twists in the nuts and bolts business.

It's bigger than just nuts and bolts, of course. Including mechanical fasteners, welding electrodes and adhesives, it's expected to reach \$2.2 billion in 1975 compared to \$1.9 billion last year.

Within the growth trend, one industry source remarks, there's shift away from standard, off-the-shelf fasteners toward higher-profit specialties.

Buyers are tightening the screws on quality with rigorous inspection and lower acceptable rejection rates.

Imports to United States over exports ran four-to-one last year on a flat tonnage basis. But U. S. export prospects for high-quality, special fasteners are good. Here's the arithmetic: Value per ton of fastener im-

ported last year, \$330; per ton export value, \$1,200.

MARKETING

Growth of leisure time offers challenge to marketing experts, says William Snaith, president, Raymond Loewy/William Snaith, Inc., New York research, planning, design consultants.

Studies for retail clients show vast potential for retail sales connected with leisure-time activities, he says. But here's big problem:

The market's fragmented; few people identify their leisure with specific activities, much less products or retailers who supply them, aside from such obvious businesses as travel agencies and sporting goods stores.

Marketing strategy must make people aware of range of free-time activities, motivate them to participate — "To get started you have to have the idea that you want to go fishing."

Put another way, it's a matter of persuading people to part with some of their time and discretionary income. (Much time is eaten up by television, Mr. Snaith finds, far more than people surveyed will admit.)

Goal of firm's studies is to devise full leisure-time marketing strategy, from motivating customers to diver-

sify interests to designing and stocking stores or departments to promote, communicate recreation.

NATURAL RESOURCES

Long-range demands for lumber and wood products are projected for phenomenal growth.

Items, according to Edward P. Cliff, chief of U. S. Forest Service:

Softwood plywood production increases at eight per cent a year, "an unusually high rate."

Manufacture of pallets now consumes 2.6 billion board feet, ranking as second largest user of hardwood lumber.

Average family of four uses more than a ton of paper and paperboard products per year; population growth through end of century alone may absorb net annual growth of production on typical commercial forests in East.

Georgia Pacific Corp. survey of builders shows sharp rise in construction timber demand.

At same time, Mr. Cliff points to growing hostility to timber operations among younger, "citified" segment of population, plus increasing shortage of certain wood species and sizes.

TRANSPORTATION

Dramatic increases in piggybacking—long-haul rail transportation of truck trailers or containers—are forecast by railroad industry.

Association of American Railroads predicts the nearly three million piggyback shipments now made each year will at least triple within next 10 years.

Reasons include revolution in containerization, particularly in maritime industry, and untapped potential of piggyback operations.

Railroad analysts say only five per cent of intercity freight volume now goes the piggyback route, while fully one third of such traffic appears adaptable to piggyback.

Then, too, Supreme Court recently ruled that railroads must make service available to truckers of all types without discrimination.

LIVING IT UP IN WASHINGTON

Looking as pugilistic as heavyweight contenders, the Kennedy brothers donned white turtleneck pullovers under their dinner jackets the other night and landed a knockout punch with fashion publications like *Women's Wear Daily* and 7th Avenue's *Daily News Record*.

The look is the latest from London. Mod, but modified by the Kennedys.

Lord Snowdon and his friends wear black turtle pullovers with their tuxedos. But that particular sartorial departure looks too suggestive of the priesthood, decided Ethel Kennedy, and is inappropriate and out of place at a really swinging affair.

So the Kennedys came up with their own Jersey Joe Walcott adaptations.

What could be more appropriate than Jersey Joe jerseys for a party given by California Congressman John Tunney, whose father is onetime heavyweight champ Gene Tunney?

Almost all of the 30 or so male guests came looking as if they would rather fight than switch back to a starched shirt and black tie.

But the two outfits which had everyone ready to really throw in the towel were worn by former Assis-



tant Postmaster General Tyler Abell and a New York lawyer named John Gomez.

Abell, riding a bicycle in tandem with his wife (White House Social Secretary Bess Abell), showed up in a turtleneck pullover, formal short pants and white knee socks. ("It's like doing the frug with George Washington," one of his dancing partners told him.)

Gomez, a hip, flip type whose name is one to remember because he recently escorted Jacqueline Kennedy to a party at Arlene Francis's Manhattan pad, wore tails and a GREEN Jersey Joe jersey.

The wives weren't pulling any fashion punches either. Bess Abell wore *le smoking*, a pant suit of black hopsacking made for her at Bonwit Teller in New York. NBC's Nancy Dickerson came in a sleeveless white fox coat and dress that were designed as a mad mod wedding ensemble by Luci Johnson's nuptial couturier, Priscilla of Boston.

Ethel Kennedy shimmered head to toe in silver and danced every frenetic dance in a highly individualized step one onlooker dubbed "The Shrug"—"too updated to be the shag and too old-fashioned to qualify as the frug."

Verbal sparring was the evening's principal entertainment (in addition to the fancy footwork being executed on the dance floor). In one speech, Teddy kept jabbing at his older brother with sly cracks he referred to as "Bobbyisms."

The USIA's George Stevens, Jr., (in red turtleneck) mystified his host and hostess by apologizing to all the other guests for the fact that his good friend, humor columnist Art Buchwald, could not be present. Buchwald and his wife deeply regretted the absence, Stevens explained.

"But then, they had a good reason for not being here," he continued. "They were not invited."

(Excerpted with permission from The Washington Post from a recent article by society columnist Maxine Cheshire.)



PHOTO: ROBERT W. BARRY



If you're talented, hardselling, uncompromising, rich, spoiled, secretary-fearing and pressured, you are one of those...

Strange fellows,

It is actually quite easy to do business with Americans once you get the hang of it. It's getting the hang of it that is difficult.

It has taken me more dry martinis to get me to where I am today than all the dry textbooks that I had to read on American management, prior to my assignment here. And if I ever have to come again to New York to start a new office, I will certainly pay a visit to that world-famous rendezvous of American executives—the Mayo Clinic—and ask them to help me with the installation of a new liver, a new stomach and, if possible, a new heart.

It is not that I complain about having to have martinis before lunch, and beers to wash down my 16-

ounce New York-cut steaks, and all the rich trimmings that go along with the executive luncheon.

What I do find so trying in doing business with Americans is that American executives are really the most aggressive, hard-working, talented, educated, hard-selling, uncompromising, sympathetic, rich, spoiled, secretary-fearing, wife-fearing, stockholder-fearing, tax conscious, well-paid and, consequently, the most pressured group of executives in the whole world.

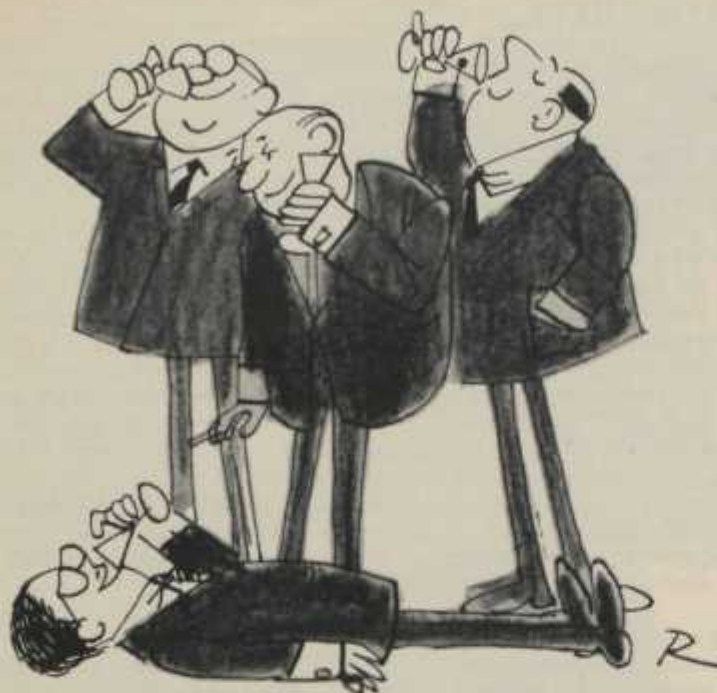
It is against this strange breed of competitive beings that I have to pitch my talents.

Of course, I am no match. My only consolation is that the American executive, under this high-pressure rate of performance, is retired early "due to health reasons" (I can then take advantage of his less experienced successor); moves to head up a new department with a competing firm (he would then look me up to increase business with me, as he wants a higher performance record at his new job); or alas, dies before his time of that common ailment facing all American executives, the sudden heart attack. (Now his living colleague has only my word for the records which the deceased had so jealously guarded from him.)

See how hardhearted and cold I have now become? I was not always this way. But my American friends



PAUL SITHI-AMNUAL, author of this article, is a native of Thailand, a graduate of the London School of Economics, and Vice President and New York Representative of Bangkok Bank, Ltd.



It takes getting used to—that treasured U. S. custom of martinis before lunch.



How to duck the dinner check is an art that requires practice to master.

those American executives

have always told me that under the competitive system of American free enterprise, the successful businessman is one who has to find business life—to borrow some Hobbesian adjectives—sweet, short, and brutal.

Dos and don'ts

Certain rules of business etiquette that I have been taught:

Never send flowers to retiring executives unless they have been elected to honorary advisory positions ("cutting unnecessary costs").

Never offer to pay for lunch unless "you have to." Never become overly friendly, as you might be "putting friendship before business."

Never sign a contract unless you have sent it to your attorney "for a careful reading."

There are also do rules:

Always check with your accountant for the "tax status."

Always get a Dun and Bradstreet for your "financial report."

Of course, not all American businessmen and business organizations are cold-blooded. American business has ethics. Wasn't it Henry Ford who paid his workers higher wages so that they could all buy back the products of their labor—after having worked

somewhat harder and longer, of course, before they were able to buy them back? Isn't it also true that there is a minimum hourly wage in this country to prevent exploitation—not to say that there is exploitation, but just in case?

Doesn't American business act in accordance with certain cardinal rules, all with a highly efficient-sounding glossary?

American business glossary: My interpretation:

- | | |
|---|-------------------------------------|
| 1. "Looking after the stockholders' interests." | <i>Make more money.</i> |
| 2. "Better performance than last fiscal year." | <i>Made more money.</i> |
| 3. "Cutting costs." | <i>Someone gets the axe.</i> |
| 4. "Higher efficiency." | <i>Someone else gets the axe.</i> |
| 5. "Cheaper source of material." | <i>Suppliers make no profits.</i> |
| 6. "Cheaper source of financing." | <i>Banks have a bad year.</i> |
| 7. "Better marketing." | <i>Consumers don't know better.</i> |
| 8. "Service to the country." | <i>Planned public relations.</i> |

Perhaps I am a bit unfair to American business. Af-

Strange fellows, those American executives *continued*

ter all, businesses cannot exist unless they are efficient, for this is the law of the survival of the fittest. And it is perhaps out of the consequences of this law that American businessmen have become a special breed.

The American executive, in my view, is what he is because of the economic system under which he operates. As I see it, your system is centered around big and small business, big and small people, and they all live happily in a big, big land.

The United States is so big that it is hard to remember that there is a time difference between the cities. I telephone a colleague in Chicago when I come into the office in New York in the morning. He is not in, as he has not even shaved yet.

I phone him after lunch, and he is at lunch. I leave a message and ask him to call back. When he does, I have left my office for the day.

So, I finally call him from my apartment when I return home in the evening. My head office finds it rather difficult to swallow when my telephone bills are higher from home than from the office.

Quite a time-saver

The favorite way of doing business in this country, unfortunately, is by telephone. It is so much easier to be able to "talk to a person," even from coast to coast. So simply pick up the telephone, dial an area code number of three digits, use two letters of the alphabet, dial another number, dial the final four numbers and, finally, ask for an extension of

another three or four numbers. It is really quite simple, if you have a good head for figures.

I am really beginning to find it convenient, now that I have a new girl who does nothing but handle the telephone calls. I dial her to dial my counterpart's number, she gets through to his operator, his operator gets on to his secretary, his secretary gets on to him, he is free to talk to me, his secretary tells my secretary to hold the line so that she will put him on for me and, finally, my secretary buzzes me to tell me that Mr. Watson is on the line.

It is really quite a time-saver to phone. I always write a long letter to confirm a short telephone conversation.

But in a big country such as this, business has to have good communications. And nothing is better than the telephone. I have since learned to use this wonderful invention for dialing everything, from dialing a prayer to dialing a loan. My wife told me when I got home the other day that *The New York Times* had called. I rang back immediately to give them a newsworthy piece on investment opportunities in Thailand. *The New York Times* said thanks very much, but would I like a subscription for the whole year?

In this big country, someone has to pay for the amenities which all of your fortunate citizens enjoy. So, America is very much a tax-conscious country. My most successful approach in selling a project is not just to point out the gains to a po-

tential investor. I have learned that knowing his income bracket is most useful. An American taxpayer would rather earn less in dividends and be able to do Uncle Sam in on a small tax gain.

My office has a full-time accountant who looks after those taxes which have to be paid to the city, state, federal something, occupancy, unemployment insurance and a few others, and then file all the returns for which my office may claim exemption. We have since employed a second tax accountant who takes care of all the receipts which I now collect with great fervor, as they are all either tax exemptable or non-exemptable. I never dare take a chance.

After all, my official status in this country is that of a nonresident alien for immigration purposes, while for tax purposes, I am a full resident. Now I understand why Americans were so zealous in defending their rights against taxation without representation. Generations of American rebels have broken down taxes to a fine art.

In Thailand, where we do not have to file an income tax return unless we feel we have earned more than \$300 for the whole year, I find coping with so many kinds of taxes rather taxing. Oh, how I long for those simple, underdeveloped ways of ours!

How big is small

The American system of free enterprise is made up of giant firms, fed upon by the small enterprises.

This isn't really a fair description of the big and the small firms. I remember one day when an American banker came into my office and made us a rather attractive proposition. When I asked him what the standing of his bank was in the banking system, he blushed and told me shyly that his was a "small" bank. The balance sheet, it turned out, was just over \$1 billion in assets. One billion dollars, that was all. This was equivalent to about half of my country's GNP.

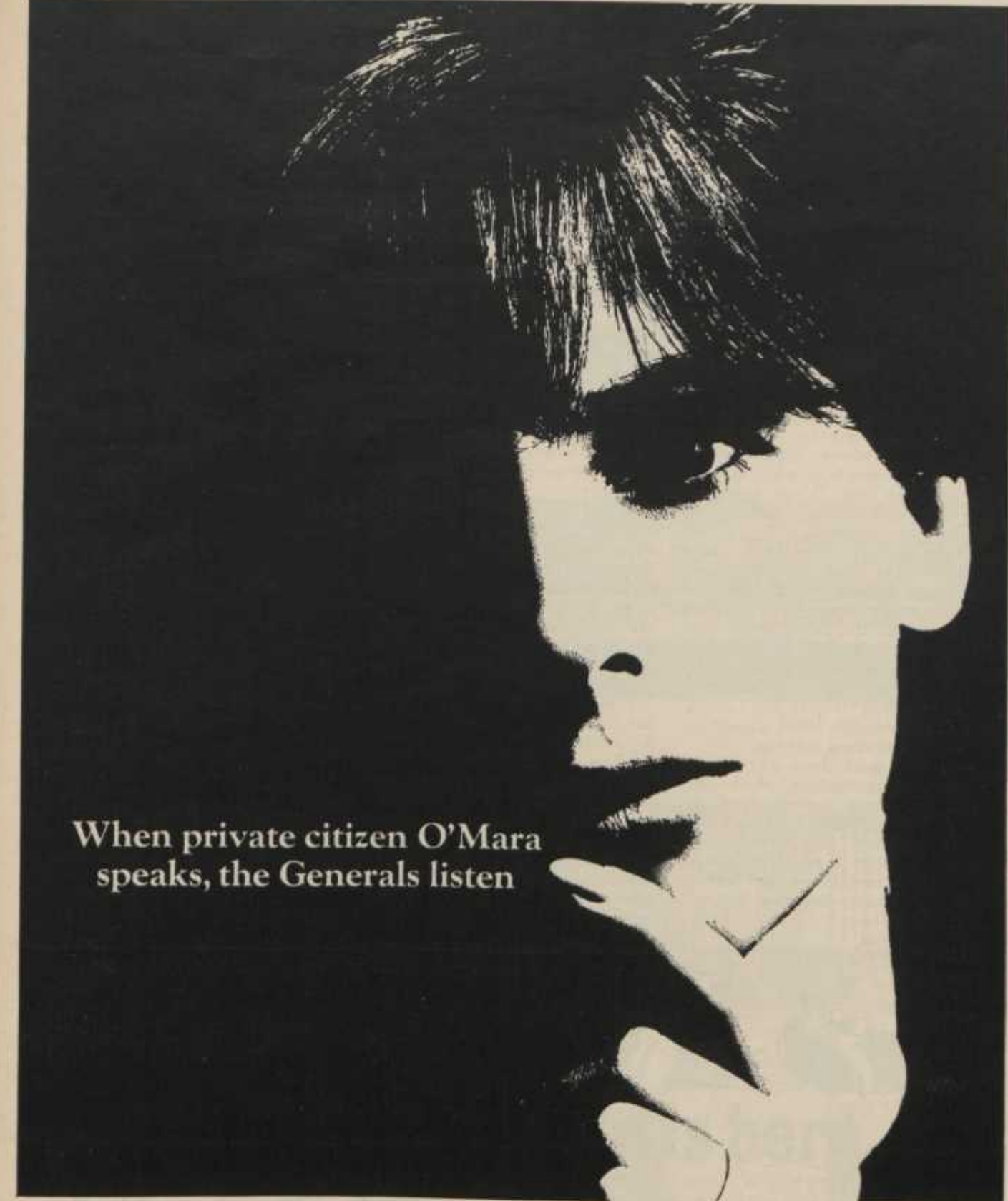
From then on, I have ceased to ask how small American firms were. They are all at least midget-sized giants, as far as I'm concerned.

Another time, I took some samples of Thai silk ties to a leading chain store to see whether they had any interest in ordering some samples. They liked them, and asked for a trial "sample consignment of 100,000 units."

If this is what is meant by sam-



If husband resists sale, I tell wife how women are appreciated in Thailand.



When private citizen O'Mara speaks, the Generals listen

General Foods, General Motors, General Mills *better* pay attention to the likes of Mrs. O'Mara. Because she—and *you*—buy only the brands you like. And drop the ones you don't.

That's the wonderful power you have when you have free choice. It's free choice that keeps the Generals on their toes trying to please the troops. And in competing with each other, they generally come up with something better. Or cheaper. Or else.

Yet, strangely enough, there are well-

meaning people in this country today who just don't see it that way. They think Mrs. O'Mara is confused by *too much* choice in the marketplace. Or, maybe, just not bright enough to choose among all those different cake mixes or 36 different kinds of cars. Reduce the choice, they say. Wouldn't four kinds of cake mix be enough? Standardize the products. That will make shopping a lot quicker and easier for everybody.

The trouble is, who sets the standards? Not

Mrs. O'Mara. She may be a wizard with a bowl of batter but she hasn't a test tube to her name. So, the critics suggest, let the government do her shopping for her.

That's sympathetic of them but Mrs. O'Mara's very favorite cake is a plum-nut mix—and that's apt to be the first to go when they start cutting back on choice. We hope yours is chocolate or vanilla because they stand a pretty good chance of surviving.

Magazine Publishers Association
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Strange fellows, those American executives *continued*

ples in the United States, I look forward to retiring as soon as the actual order comes through. Unfortunately this is not likely, as my clients back home found this small, trial, sample consignment just a bit too much for their capacities. If only the twain would meet, I would not even complain about having to pay high taxes.

Big business actually operates with the greatest of efficiency. It is so big that nobody really knows how big it is. Ask U. S. Defense Secretary McNamara. During the Foreign Relations Committee hearings on Viet Nam, Mr. McNamara actually said that his shortage of bombs, as in any big business, is one aspect where nobody really knows how much of what is short at any one time. I can testify to his statement in more than one instance.

Take the time when I was ordering furniture for my apartment. American firms are such giants that nobody really knows what anybody else is doing. In this particular case, a salesman handled the sale, the Placement Department the orders, the "manufacturers" ordered the furniture from Canada, the Canadian manufacturers hired a delivery firm and I received nothing.

All this boils down to the efficiency of automation, stock controls, inventory controls and delivery controls. And how well they work. In fact, they are so well controlled that I could no longer control my impatience and had, in fact, to threaten litigation before I obtained delivery.

Any system, when brought down to essentials, actually deals with people. American business is an exception. The system is divided, in big business, between executives and their secretaries; and in small business, between the owner-partners and the partners that own the owners, marital arrangements being what they are.

To get to any executive, I normally work through his secretary. I buy her lunch and send an occasional box of candy. All secretaries become sweet after eating candy.

To get to any owner-partner, I work through his or her partner. If it is the husband who is resisting the sale, I tell his wife about how much women are appreciated in my country.

If I have to work through the husband, I also tell him how much women are appreciated in my country, and I suggest that he should certainly take a trip to gay Bangkok to see for himself how much women are appreciated there. After all, we have good references, in that Miss Thailand was Miss Universe year before last.

I find that both partners, husband and wife, react favorably to my comments. I don't know why, but I must be doing something right.

But it is not always that I am doing the right thing. American businessmen are not really all Ugly Americans. They are just friendly people who get awfully upset when I don't call them by their first names after our first meeting. I know so many Bills and Jacks and Jerrys

that I now ask my secretary for their surnames before I am put on the line.

Jerry called up one day to ask if I was free for dinner. I gladly accepted and told my wife that Jerry was from out of town and that I thought it would be better if Jerry and I went out to see New York strictly stag. Jerry turned out to be a Geraldine with a low voice. Not that I mind, but it is difficult to explain these genuine mistakes to an Oriental wife.

I have been in New York for some time now, and I am really getting used to living like an American executive. I get up early for breakfast meetings, join the race to the subway, fight my way to buy my morning paper, smile with my best smile to say good morning to my secretary, spend hours buzzing and being buzzed on the phone, drink my dry martinis with my parched throat, call all my friends by their first names and find Wall Street a really exciting place. My heart beats are much faster, and I am keeping as quick a pace as any American.

As I make more money, so do I pay more bills to my attorney, my accountant, my doctors and good old Uncle Sam.

But think of what Bill, Jack and Jerry have to go through abroad, sitting cross-legged, eating raw fish in Japan, eating cross-eyed sheep's eyes in Saudi Arabia, sharing a monkey's brain with a Chinese merchant in Hong Kong or Singapore.

I don't have to do any of these quaint things in New York. **END**



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MAKING TECHNOLOGY SERVE SOCIETY

A conversation with Simon Ramo, co-founder
of the instant giant: TRW, Inc., who has
seen electronics create a better world for all

If scientist-industrialist Simon Ramo had to "fiddle for his supper," he could do it with the aplomb of a symphony violinist.

In fact, he was a symphony violinist. As well as a Ph.D. at 23, holder of 25 patents by the age of 30, and now, at 54, an elder statesman of the young, wonderful and soaring world of electronics and other advanced technologies.

He is also cofounder of Ramo-Wooldridge Corp., an instant giant in the electronics field, the author of many textbooks and a man who with Gen. Bernard A. Schriever of the Air Force supervised the biggest scientific/industrial job the nation ever undertook in peacetime: The design, development and production of the United States's Intercontinental Ballistic Missile force.

From a one-room office that had been a barber-shop in a Los Angeles suburb, Ramo-Wooldridge went on to merge with its financial backer, Thompson Products of Cleveland, to become known as Thompson Ramo Wooldridge, Inc., and, now, as TRW Inc., a burgeoning corporate giant that last year racked up sales of more than \$863 million and which Dr. Ramo is hopeful will top \$1 billion in 1967 in such diversified fields as automo-

bile, aircraft and TV parts, space components, systems engineering for land uses, medical complexes, water sources for cities and high-speed ground transportation methods for interconnecting metropolitan areas throughout the United States.

Dr. Ramo, vice chairman of the board and chairman of the policy committee, calls himself "simply a kind of industrial executive."

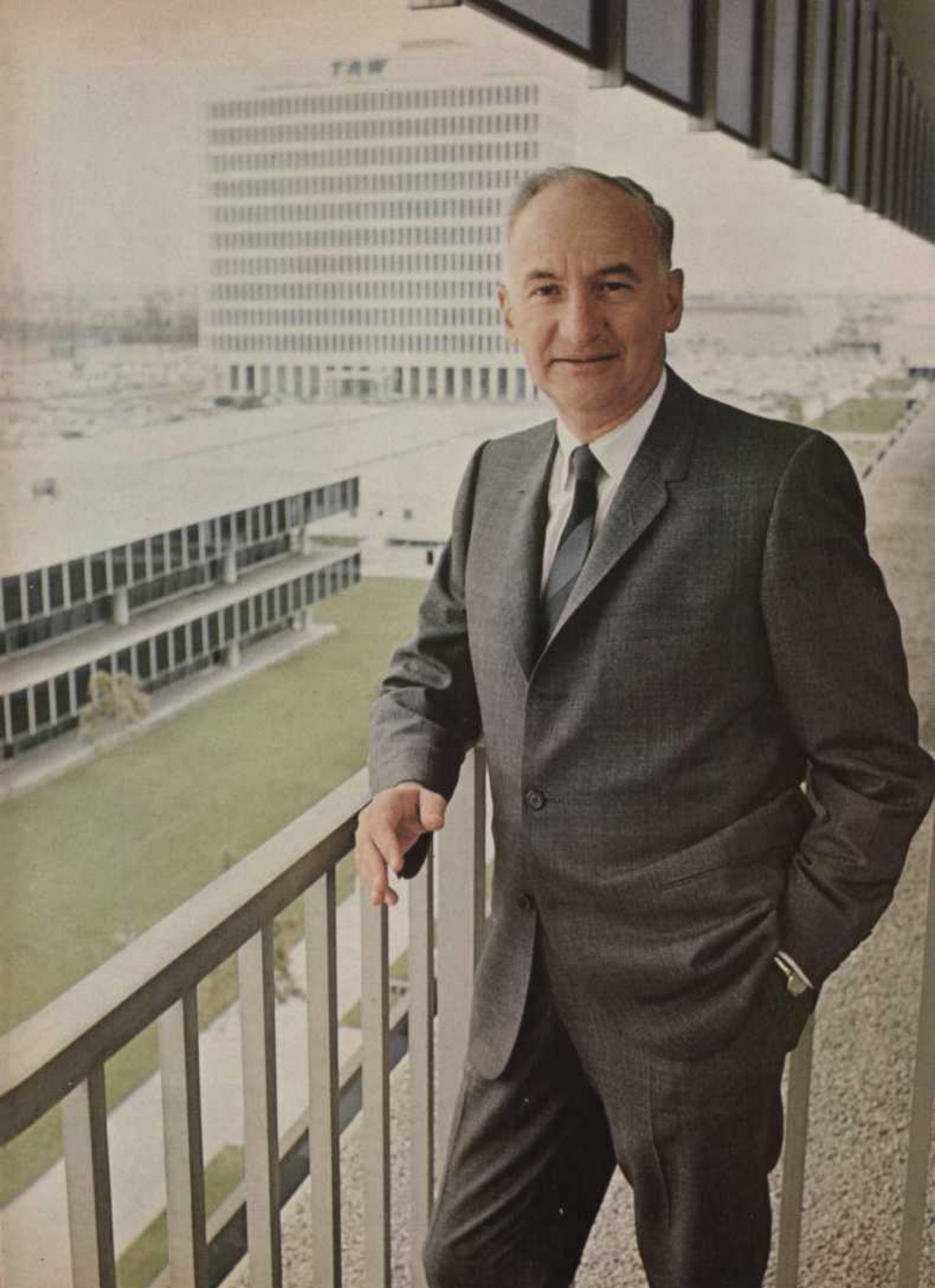
In this conversation with NATION'S BUSINESS, he talks about his multifarious career and what he sees for the future.

Is it true you got your first job as a scientist because you could play the violin?

Well, that's a slight exaggeration. But let's say it is perfectly clear that at that time, in 1936, General Electric didn't need many more scientists or engineers and they hired very few.

This meant, if you had something extra, you had a better chance. There were some very outstanding persons getting their Ph.D.'s at Cal Tech that year, and elsewhere over the country. The competition for the few openings was fierce.

It was Dr. Robert Millikan's (the noted physi-





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MAKING TECHNOLOGY SERVE SOCIETY *continued*

cist who headed California Institute of Technology when Dr. Ramo got his Ph.D.) idea that at lunch, before the employment interview started, the personnel manager might enjoy a few moments of music. So they had me play for him.

When we came to the 10-minute interview, he didn't ask me the questions he asked all the others. He simply said, "You know, we have a very fine symphony, part professional, part General Electric people. I'm sure you would enjoy it. We should very much like to have you there."

What made you decide to leave General Electric and join Hughes Aircraft in electronics?

I started the operation at Hughes after the war because I felt, in view of the fact the Russians were about to have the A-bomb, that there was a need nationally for a continued, very high-grade, very sophisticated effort in the American military that should depend much more on systems engineering, on recent physics, on advanced technology, on complex electronics than was true of the weapons systems of World War II.

Furthermore, I felt the old-line companies in the East that had the capability to do this were going to be very busy returning to their peacetime pursuits and that the aircraft companies clearly did not have the broad, technical background to do this kind of thing well. I also felt the new technologies involved would certainly in a very few years have broad, civilian, peacetime, commercial applications.

This was an idea for a new field and one that lent itself particularly in starting from scratch in California, where I wanted to live. My wife was born in California, and we both had California-itis.

It is said you had no trouble recruiting scientists because you treated them as individuals and took them out of the "bullpen."

I think the real reason was because we were meeting an important and urgent national need with very challenging new technologies. We offered a new place and a new formula.

At that time, the aircraft companies were dealing with the military, and the "bullpen" concept seemed to be that engineers and

scientists, as with draftsmen and technicians, can most efficiently be used if they are all put in one very large room, so they might all be watched.

There were no doors on the laboratory facilities. There were guards to take your name and report you to your supervisor if you came in and out at times other than specified periods; when you went to the library to get a book on engineering, you had to go through a line and through "sign out" indignities. These were techniques suitable for a factory under wartime conditions.

It is true we pioneered in creating an atmosphere in which we encouraged creativity, high-grade analyses, quality performance. The scientists and engineers we hired were professionals and we treated them that way.

Did you have any qualms about starting your own company from scratch?

Not really. You must remember at the time Dean Wooldridge and I did that, in 1953, we had completed some six or seven years of work in helping to build the Hughes operation.

The major income, involving some hundreds of millions of dollars annually, resulted from our having developed and produced electronics for every interceptor plane to enable it to meet a challenge from enemy bombers. The electronics had a total capability to do everything from blind landing and take-off to finding the enemy without ever seeing him and firing rockets or guns or Falcon missiles under any weather conditions.

We had won every major competition, had our equipment—radar, computers, missiles—on every aircraft manufacturer's plane, subsonic and supersonic.

I eventually was made vice president and director of operations, over both the engineering and manufacturing. I had planned to stay with the research and engineering, but someone had to be put over the whole operation, someone who knew the products.

The depth of the Hughes organization was very, very great. We knew the fact that with Dean Wooldridge and myself leaving, it would not cause Hughes Aircraft to fall apart. In fact, I kidded Howard Hughes about his concern in that

regard. I said "In a year, people will say, 'Was that Raymond Wooldridge or were there two men?'"

You have often called systems engineering and management techniques the most significant business trend of this generation. Why?

Well, first, it must be clear what I mean by systems engineering, since those words are used for many things. It would be safe to say that our highly technological society is going to become more so. For every man in the world there will be more and more pounds of equipment built to keep the world going to suit man's way of organizing his society.

That equipment, every pound of it, is going to consist more and more of complex mechanisms, circuitry and the like. What you do technologically must match the society, must match the economics and the social forces. You must take them all, including the socioeconomic and political aspects, and unite them to get a solution.

That is systems engineering: Integration of the whole, ensuring an optimum, harmonious ensemble of men and machines to meet the problem.

If you look at what is happening in the world today, you find a larger and larger fraction of our technological effort going into large, complex problems, full of interaction: Commercial supersonic flight, rapid transit urban and interurban transportation systems, smog control, vastly expanded and improved medical facilities, urban redevelopment, global communications systems, water desalinization, to name a few.

And the same holds for military and space programs such as the antisubmarine warfare effort, putting men on the moon, to name a few. All these problems are reaching that same level of complex, interactive engineering involving analysis, trade-offs, statistical parameters and so forth. The problem of integrating the whole comes to the fore. They don't teach this discipline, systems engineering, well in the schools; they hardly teach it at all.

Back in 1953, you drew up a list of potential backers for your new company and Thompson Products headed the list, didn't it?

That's true.

We knew we wanted to start a



The men who directed building of the nation's ICBM force, General Bernard A. Schriever (left) and Dr. Simon Ramo at the unveiling of headquarters plaque

new kind of company. We considered floating stock, getting bank loans. We decided it would make the most sense to go to an industrial outfit, one strong financially, large and one with compatibility with our objectives.

We knew the top people from Thompson Products, as we knew the top people of many companies. We did select Thompson Products first.

We called Dave Wright at Thompson in Cleveland, and he told us that Thompson Products would be very happy to be our sponsor.

At about the same time, we called our attorneys in New York to set up a corporation. We left the Hughes' payroll on a Friday night; the fellows gave us a little party and a watch.

I met with Howard Hughes on Saturday. He wanted one last chance to persuade us to stay, but we said no. Sunday we went to New York and by Wednesday we were in Cleveland to talk with Dave Wright.

We had rented that little office and hired an administrative assistant and a secretary, Mrs. Joy, who is now my secretary.

When we got home after being away three days, we found scientists and engineers, many with high, national prestige, lined up in front of the shop to get application blanks to fill out.

We had to take the telephone—our only one—off the hook. It was so busy. The Secretary of the Air Force, who wanted us to take on an urgent assignment, couldn't get

through and had to send an emissary to catch up with us personally.

He did on Thursday, so we turned around, got back on a plane to Washington and signed our first contract.

By the next Monday we were operating in the black.

You went on to supervise the Intercontinental Ballistic Missile Program, didn't you?

Yes. And while this is most often looked at as just a big military project, you must remember it is the biggest peacetime industrial program the nation ever had. (The Apollo program will be bigger.) As an industrial program, it involved a bigger complex, a bigger combine of all of industry than ever existed before. It was an industrial, engi-

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MAKING TECHNOLOGY SERVE SOCIETY *continued*

neering and scientific project of great scope.

The government saw this was going to be an enormously difficult scientific and engineering effort and that it had to be led in such a manner that it would bring in the top scientific personnel in the country. At the same time, the leadership had to have the respect of and be able to direct a team of our most powerful industrial corporations.

The situation was without precedent in peacetime and the security of our nation was really at stake. It involved the question of whether the Soviet Union could indeed bypass our whole aerial defense system with the nuclear capability of the H-bomb, the delivery capability of the ICBM and with our not being able to retaliate. This was a very serious thing, very hot and very supersecret at the time.

There were 50 of the largest companies in the country with very big contracts, and there were hundreds of medium-size companies and thousands of little ones.

The job the Air Force and Ramo-Wooldridge had was that of organizing industry for this project, finding the right jobs for the right companies and directing them so the pieces all fit.

As a scientist-industrialist, do you believe that the machine will eventually totally replace the unskilled and semi-skilled worker?

I think this could well be the myth of the century. When people find themselves believing there is no place for the unskilled in the future, it is further indication we do not socially apply ourselves to forming the society pattern that uses all of our resources, technological and human as well.

For example, go to any major city and you'll find it is dirty. Cleaning it up requires unskilled people.

And yet you find unskilled persons supposedly cannot find employment, because the only jobs open seem to be for skilled persons.

So these unskilled persons are on relief. Obviously this is a socio-technological imbalance and not a technological problem.

Most people look to the future and see a highly automated society—moving belts, production lines with only a button to push—all the

things we need produced automatically.

Well, that would mean the redoing of our entire, total resources and facilities—the banks, railroads, airlines, schools, hospitals and the cities. They would all have to be redesigned. We're talking about many trillions of dollars.

Now, suppose I'm wrong about this and by some miracle we somehow get all this done and here it is the year 2,000 with no longer any need for unskilled persons.

But who, I ask, changes the light bulbs in the park? I mean that literally as well as symbolically.

Let's say you don't need to, that it automatically gets replaced because it gives a signal when it malfunctions. Then we have to assume we have designed automatic diagnosis machines that know what has gone wrong.

The first thing you know we've created million-dollar robots to do a very simple task that would have been so easy for an unskilled person to do, one whom it costs only a few thousand dollars a year to maintain.

What about the roles of government and private enterprise in the technological society of the future?

I believe that private free enterprise will have an opportunity to be freer and more enterprising, that government may serve a new role in bringing this about. If we develop a national electronic information service, as we will have the capacity to do shortly, this will serve to completely change and improve our methods of producing, marketing and distributing our goods.

It will offer industry far more reliable methods of determining consumer needs and desires.

Imagine, if you will, a manufacturer offering a product to a national television audience which could then, by operating a gadget on the TV set, register an order and transmit the purchaser's fingerprint for identification and billing and thereby complete the transaction.

This would promote a new kind of market—controlled not by government, as so many fear when they hear talk of a national electronics information system, but by the demands of the consumers.

This system will allow a much

more direct marketing dialogue between the producers and the consumers, would reduce risk in new products because the markets would be pretty reliably and accurately determined.

And it will leave industry freer to develop newer products because it will get a fast response on their acceptability.

The role of government will be to help provide the service, to referee objectivity, honesty and opportunity. It will perform to a higher degree its classic function of assuring the best use of air time. The government will be so busy at this role, as it will relate to a national electronic service, and it will be under such pressure from the voters to further expand individual participation in the free market, both as consumers and suppliers, that we don't need to worry about the government planning our economy from the top.

It will be planned from the bottom, from the consumer.

What has been your hardest decision as an industrial executive?

There's nothing that just sticks out as a singular thing, except perhaps my decision to found the Ramo-Wooldridge Corp.

Your interests are extremely diverse and broad in your business career. Can you explain this?

I suppose one reason I spread myself into various fields is that I enjoy all my activities.

I try to keep a toe in the scientific, engineering side as well as the financial.

I've been very active in educational matters, done quite a lot of book writing, a lot of lecturing and gotten, of course, heavily involved in directing large business operations. However, I think there's a great deal of interactive payoff in the various mix of the things I'm interested in.

I don't think I'd be happy being a businessman 100 per cent and directing a company that isn't involved with frontier problems, involving technology and social forces. It is a combination of these things in which, I think, TRW is doing an outstanding job. And this certainly has given me satisfaction.

It's been said a major part of TRW's

sales in 1967 will come from products that didn't exist in 1961.

That's right. We are really in two major fields which are connected and which, I think, vie with each other for being in the largest growth area of our economy. These are the fields of transportation and communications:

The moving of people and things, on the ground, underground, underwater—by submarine—in the air and through space.

The handling of information, the control of physical operations by communications and automatic controls and electronics.

In these two fields, rapid developments and new products will continue to characterize the growth.

What seems to be the most important factor in the rapid growth of TRW?

Aside from the fact that we are in the growth industries I mentioned above, we have used a high degree of selectivity in deciding which products and services we would produce.

We picked carefully those items in the fields we are in—automotive, aviation, electronics and space—and our criteria was the best match of market needs with our talents and resources.

While highly diversified, our diversification is of a tightly "integrated" type.

For example, our space projects require a great deal of work in micro-electronics, and this has fallout benefits in commercial items we manufacture for, say, the communications market.

The work we have done on advanced technology in metallurgy, electronics and propulsion for the rocket engine which will soft-land our men on the moon can have applications to the other fields of transportation we are in. Quick reaction control technology we are developing for the supersonic transport airplane will be of value in automated automobiles of the future, where safety and traffic flow considerations will be important.

Do you feel there is as much opportunity today as when you started out as a young Ph.D.?

More so—but there are many differences. I've got two sons, and this has required discussion between us as to what pursuits they should choose. If you choose such periods as mine—the Depression—when I was their age, it looks as though they have a much longer list of opportunities available to them, but

there is an essential difference in exploiting them.

There is less likelihood an individual young man will be as much on his own as was true 30 or 40 years ago. He has greater pressure to become part of a large team effort.

Aside from music, how do you relax?

Well, I play tennis—a strategic rather than a powerful game of tennis. I insist on playing doubles and most often mixed doubles, so as to hold the level of power down.

Is there anything you've done that you would do differently now?

Well, I might have chosen a different time to be born.

I think I might have enjoyed the period of the late 1800's a lot more, especially if I could, by some magic, return to that time with what I now know. It would be a lot of fun. **END**

REPRINTS of "Lessons of Leadership: Part XXVI—Making Technology Serve Society," may be obtained from Nation's Business, 1615 H St. N. W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.



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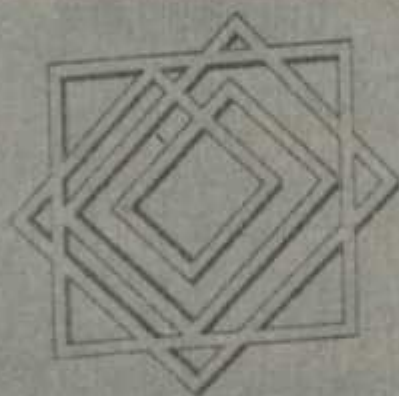


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IN SPITE OF EVERYTHING...

BUSINESS WILL PICK UP

Business and financial leaders across the nation are more optimistic about business now than they were at the start of the year.

But their optimism stops short of the boom talk of public officials who are still trying to peddle a tax increase later in 1967.

NATION'S BUSINESS Outlook Survey of 1,000 industrial, commercial and financial leaders finds that more than half of those responding say their hopes are up from six months ago. Three in 10 are less optimistic and one in 10 sees no reason to change.

Still, there's worry aplenty—even among the optimists. Worry about the war in Viet Nam and the increasing strains that go with it. Worry about costly labor strikes, about costlier wage settlements. Worry that the profits squeeze will tighten, that cost-push inflation will spread. And worry that the federal government won't cut back or defer non-military spending even as it faces a record-crashing budget deficit.

Among those more optimistic than at the start of the year is George Champion, chairman of the board of The Chase Manhattan Bank.

"Increased military expenditures

plus heavy capital expenditures by industry together with an increased money supply, should cause a further increase in gross national product," he answers.

But he warns: "Higher wages, which are now well beyond productivity increases, will create a great profit squeeze or increased prices."

Easier money is the reason Donald C. Cook, president of American Electric Power Co., gives for better business ahead.

"On a short-term basis there are many favorable indications," says Howard W. Kacy, president of Acacia Mutual Life Insurance Co. He lists the upturn in housing starts, improvement in auto sales, greater credit availability, increased government spending and an upturn in stock prices.

But for the longer range, Mr. Kacy is worried. "I am concerned about our unwillingness to come to grips with the more serious problem of sound fiscal policy and deterioration of the dollar."

Another insurance executive, James S. Kemper, Jr., president of the Kemper Insurance Group, sees the economy improving over the second half of last year. "Restoration of the investment credit will increase capital expenditures, and I

expect there will be some increase in consumer spending as well," he responds to the NATION'S BUSINESS quarterly survey.

"The inventory correction seems largely behind us," comments John R. Bunting, executive vice president and economist for First Pennsylvania Banking and Trust Co.

Outlook brighter

NATION'S BUSINESS has been surveying business and financial leaders on the economic outlook for 11 years. Those responding have called the economy's tune with considerable accuracy.

The latest survey, completed in early June, also asked about sales, profits and prices. Executives were asked about their labor costs and whether spending for capital investment would be up or down.

Here's how they answered:

- **Sales.** Nearly 60 per cent expect sales will be higher in the last half of this year than they were in the last half of 1966. This assumes consumers, who have been saving, will resume spending especially on such durables as major appliances; that defense spending will be even more of a stimulus than it has been; that the recovery in home building will accelerate, and that interest rates



PHOTO: EYKAS, TALANTIS

Chase Manhattan's George Champion is more hopeful than he was but sees bigger federal spending, inflationary wage increases and unwillingness to cut overseas spending as problems he is afraid will worsen this year.

BUSINESS WILL PICK UP continued

will stay below last year's highs. For many businesses, increased sales have been the only way they've been able to keep profits from dropping.

The latest sampling shows 14 per cent expect a sales decline, while 28 per cent think volume will about match that of last year's second half.

- **Profits.** The outlook here isn't as bright. Only 44 per cent expect them to improve. Twenty-two per cent expect a drop, while 28 per cent foresee no change and six per cent offer no answer.

So while sales generally are higher, profits of many companies are being squeezed.

- **Prices.** Nearly half expect no change. But almost 40 per cent say increased costs will force them to mark up price tags.

Why the higher costs? Wage increases that outrun productivity gains.

Unions are blamed. And so is the federal government. Prices of 1968-model automobiles won't be announced for a couple of months, but federally dictated safety equipment will raise price tags significantly. Minimum wage and social security tax increases also will hike costs.

Only nine per cent of the executives responding think their prices will decline from last year's. Three per cent give no answer.

Costs and consumer spending

Restoration of the seven per cent investment tax credit, inventory correction and some increases in home building make Charles L. Huston, Jr., president of Lukens Steel Co., more optimistic than before. Although he expects the economy in the last half of '67 generally will match 1966's second half, he still anticipates his own company's profits will be lower.

Accumulation of personal savings is a strong underpinning cited by some. "The high rate of savings has continued further into 1967 than I anticipated," comments C. Virgil Martin, president of Carson Pirie Scott & Co., the Chicago retailer. He believes the flow will revert to the market place in the coming months.

Employment and income are up to the point where "they have to bulge the economy in the second half," writes Edwin L. Parker, president of A. G. Spalding & Bros., Inc.

Robert E. Brooker, chairman of Montgomery Ward & Co., continues

Business will improve, predicts Spalding's Edwin L. Parker, but big headache is wage increases which exceed productivity gains.

PHOTO: BOWENBERG-PIC





PHOTO: BOEEN-PIE

Charles L. Huston of Lukens Steel is more optimistic than he was but still expects his company's profit in the second half to fall short of last year. He foresees our defense-swollen budget deficit as most troublesome.

Ingersoll Milling Machine President C. R. Gaylord expects his company's profit will climb but sees business generally lagging below last year's.

optimistic. "I have thought that inventory correction was necessary, that consumer attitude would strengthen and that the investment tax credit would restore capital spending."

On the other hand, "soft consumer spending" has made Roger P. Sonnabend, president of the Hotel Corp. of America, less optimistic. He blames the hesitant spending on Viet Nam uncertainty. Mr. Sonnabend still expects business in the second half to exceed that of a year earlier and his own company's profits to be up.

As costs continue to increase, largely due to union pressure, Peter F. Hurst, chairman of Aeroquip Corp., a Jackson, Mich., manufacturer of hose and couplings, grows less hopeful. He believes his company's profits will hold steady but predicts that business generally won't match that of the second half a year ago.

Executives were asked, "By what percentage do you expect your labor costs, including fringe benefits, to increase?" Eighty per cent of the replies fell into a three per cent to seven per cent range. Most others scatter out above seven per cent.

Forty-three per cent say their

company's spending for capital investment will about match last year's. Thirty-four per cent will step up their spending and 21 per cent will cut back. Two per cent offer no reply.

What they fear most

Optimists and pessimists alike have their worries for the economy. Asked what they regard as the biggest problem facing the nation on the economic front, most of them cite Viet Nam and inflation.

"Inflation, resulting from rapidly growing military expenditures and high wage settlements, will continue to be our major problem." That's the way Michael L. Haider, chairman of Standard Oil Co. (N.J.) puts it.

"Viet Nam, because of the distortions and wastes it injects into the economy," replies John S. Fangboner, board chairman of National City Bank of Cleveland.

Victor T. Ehre, president-general manager of Utica Mutual Insurance Co., agrees. He's concerned that the war will worsen. "It doesn't seem realistic to expect we can accomplish our ends without further escalation."

Ranking close behind Viet Nam

Eugene C. Zorn of Republic National Bank believes business will improve but expects imbalances will continue.

PHOTO: ROBINSON-PIE



PHOTO: GAZAR-PIE



as the biggest problem and tied closely to inflation are labor demands and strike threats.

"The wage demands of labor will get worse as the year goes on, stimulating inflation," warns C. R. Tyson, president of Penn Mutual Life Insurance Co.

There's real cause for worry about strikes. One big threat comes from Walter Reuther's United Auto Workers. But contracts covering thousands of workers in meat packing, construction, electrical and leather products industries also expire either this summer or autumn.

"The auto negotiations will be severe and set a pattern," predicts Edward A. O'Neill, president of Great American Insurance Co.

Asking that he not be identified by name, the president of a large materials concern paints this unsettling picture:

"The problem is two-pronged: the attitude of labor to get all it can, and the attitude of the administration to hold the price line. This

Allied Chemical's Chester Brown is less optimistic because political, economic and international uncertainties continue.

makes for an impossible and alarming situation. Sufficient profit cannot be generated to attract capital; nor will shareholders obtain a satisfactory return."

"The President and his economic advisers are in disagreement as to what the problems are and how to approach them. Too much emphasis is on the political implications of every economic action," comments Albert R. Collins, merchandise manager of the Thriftmart food chain. So he's less optimistic. Other problems he cites: Strikes, slowdowns and featherbedding which further reduce profits and government income—and a "shocking federal budget deficit!"

James F. Oates, Jr., chairman of the board of The Equitable Life Assurance Society of the United States, is more optimistic, partly because of the inventory adjustment and a sharp reversal in monetary policy. But to him, the big problem will be to keep the economy at full employment without inflation. "A combination of tax increase and expenditure restraint may be needed," Mr. Oates adds.

Chester M. Brown, chairman of Allied Chemical Corp., is less optimistic than he was—although he still expects the general level of business in the second half to be up from a year before. As he sees it, "the general uncertainty—political, economic and international—won't be solved and may well grow worse."

To G. S. Ensign, president of Rollan Electric Co., Chicago, the big problem is "a lack of sound business acumen at both state and national level."

A major steel company executive is optimistic for the short term, but adds a caveat. "The recovery in late '67 and early '68 from the current slump will result from federal stimulation. Basic maladjustments won't be corrected, and the stimulation will lay the base for substantial inflation later." The executive asked not to be identified by name.

The prospect of an enormous federal budget deficit disturbs William B. Johnson, president of Illinois Central Railroad Co., and others. Despite this and the increased government intervention he expects in private enterprise, Mr. Johnson says business ought to improve.

To the "massive federal deficit" M. J. Warnock, president of Armstrong Cork Co., adds the problem of labor unrest that will be "severely disruptive and costly."

Implicit in the remarks of most of the executives is the belief that the Johnson Administration is trying to do too much. C. R. Gaylord, president of The Ingersoll Milling Machine Co., Rockford, Ill., makes it explicit:

"Our biggest problem is the failure of the federal government to face the economic facts of life. LBJ and his party are still determined to be all things to all people, and there's simply not enough money to go around."

Where they would cut spending

The government's so-called war on poverty would be the prime target of many businessmen if they could cut the budget.

The top executives were asked what federal spending programs they thought should be ended.

Nearly one in four would eliminate the so-called war on poverty. Still others said the program should at least be cut back.

"A sound economy will accomplish more in a more permanent way," than the federal anti-poverty program, says William R. Adams, president of St. Regis Paper Co.

H. L. Young, president of American Zinc, Lead and Smelting Co., agrees. First things first when we're fighting a war in Viet Nam, he recommends.

The dissatisfaction is not with the end—eliminating poverty. It's with the means to that end. Some critics say the federal effort discourages rather than encourages the poor to help themselves. Others fault it for loose administration, wasteful doling. This is their impression of the program, anyway.

Instead of eliminating any one specific program, many executives recommend that all federal spending be put to the test.

"We cannot exercise sufficient restraint by singling out one federal spending program," comments Mr. Haider, chairman of Standard Oil Co. (N.J.). "Given our Viet Nam commitments, all of our domestic spending should be re-examined with the intent of making optimum use of our resources and achieving maximum social benefit from every dollar spent," he adds.

Next to the war on poverty, farm subsidies are the best place to cut federal spending, businessmen believe.

"It's bad for farmers and consumers alike to have arbitrary limits imposed on productivity," warns N. G. McLean, executive vice president of Dunn Paper Co.

"With a world shortage of cere-



als, we do not need subsidies," says one who has held top jobs in industry and government. Tighten up on foreign aid, others suggest.

Other categories, in order of mention: The whole Great Society package, so-called "pork barrel" public works projects and the federal beautification drive. The space program also was singled out by a few, not for elimination but for slowing down.

Business executives were asked the question because in past Outlook Surveys many of them have favored reduced federal spending over increased taxes.

On the tax level

While Administration emissaries stump for higher taxes, tax reduction is receiving behind-the-scenes attention. It's post-Viet Nam planning.

Treasury Secretary Henry Fowler recently said, "it is my strong belief that we should—and will—choose . . . a lighter tax burden on the initiative and incentive of people and of businesses."

In the latest survey, NATION'S BUSINESS asked: "When there's another opportunity to cut income taxes, how would you like to see the reduction shaped?"

Nine out of 10 responding recommended that any reduction be across the board for individuals and corporations. The remaining 10 per cent was divided between recommendations that most of the relief go to lower-bracket taxpayers and other ideas.

Robert B. Semple, president of Wyandotte Chemicals Corp., suggests across-the-board relief and adds, "I also believe the time may be at hand seriously to consider substituting a value-added tax for a part of the corporate income tax."

A top official with one of America's industrial giants agrees with the first part of Mr. Semple's recommendation but suggests that additional relief might be given low-income people through increases in the optional standard deduction. This is a suggestion that already has considerable support in Congress.

"I would like tax incentives granted, as a substitute for expenditures, to those now receiving direct subsidies under so-called poverty programs," answers Eugene C. Zorn, Jr., senior vice president and economist for Republic National Bank of Dallas. He suggests tax credits to encourage poverty groups to become better educated and work for their personal enrichment. **END**

HELP!



Everybody has heard about Zip Code.

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GET RID OF THAT RUN-DOWN FEELING



You can work harder, and tire less, if you pace yourself and harness your normal energy cycles

"I'm bushed!"

That's the end-of-the-day keynote for too many executives. Why? Because the average manager fights nature.

Instead of working in rhythms attuned to his natural energy cycle, he imposes—without a second thought—a pattern of work that violates every cell and organ in his body.

You're a unique individual. Your body has its own inherent preferences for work pace, for rest, for periods of high activity and for periods of low. These preferences are different for you than for any other person.

By discovering your own personal energy rhythms, and working with instead of against them, chances are you can accomplish the same amount of work you do now at a fraction of your present energy expenditure.

The ability to retain a high level of vitality on the work scene is closely linked with job accomplishment. Repeatedly we see the outstanding achiever identified by his unflagging physical and mental energies. Under the pressures of today's executive workloads, the need to sustain one's energies becomes crucial, if job and career goals are to be met.

Fatigue is one of the major threats to personal efficiency on the job. Dr. John E. Vaughn, vice president, development, Fairleigh Dickinson University, Rutherford, N. J., comes into daily contact with many top industrialists—and is in a position to comment relevantly.

Dr. Vaughn, who is an energetic, youthful-looking man himself, observes: "Some executives feel 30 years old at nine o'clock, and 60 at five. The 'aging' is the consequence of fatigue—and not necessarily physical. Moreover, excessive feelings of tiredness, re-

peated often enough, destroy your enjoyment of life, wreak havoc with your looks and make you feel years older than your birth certificate says you are."

A recent study indicates that fatigue is the primary health complaint of many executives. In a survey of 165 top echelon managers, 43 per cent say they frequently feel tired. Here are the executives' own explanations for their fatigue:

| | |
|--------------------------|-------------|
| Job pressure..... | 61 per cent |
| Increasing age..... | 49 per cent |
| Excessive work load..... | 25 per cent |

A few blame personal concerns, excessive travel or recent illness for their weariness. For all three categories listed, attention paid to working in tune with natural energy rhythms could lessen fatigue.

The energy chart

You must have noticed that some people easily put out a steady amount of work each day, while others seem to bog down when they need the most energy.

Prof. Norman R. F. Maier studied the productivity of people at various times of the day, and his findings provide important clues on how to maximize your personal efficiency. The chart on the facing page shows how the efficiency of the average person varies during a work day.

Two characteristics should be noted. First, most people seem to require about an hour in the morning to build up a full head of steam. However, after lunch, no warm-up period is necessary.

Second, most people experience an efficiency drop during the fourth hour of work both in the morning and afternoon. Although not shown in the chart, the efficiency curves of some people show a third trend, the end-spurt.

Their energy increases markedly as a particular goal (usually the end of the day) is approached.

The daily cycle is not the only one that influences us. Ray Josephs, public relations executive and author of studies in personal efficiency, says:

"Research suggests that our energies vary on a longer term cycle of weeks, or even months. Various investigators have attributed these longer range cycles to atmospheric conditions, the position of the planets or cosmic rays.

"However, little is known about these longer cycles.

"We do know enough about the daily cycle, however, to use it as a basis for pacing ourselves on the job."

Adapt to your own

To discover your own natural energy pattern, chart your own ups and downs of daily efficiency. Charles E. Zimmerman, president of Consultants & Designers, Inc., a company which provides personnel to complete temporary technical assignments, urges each of his people to:

- Keep a record of the time when you feel most energetic. You need at least a week to get a fair sample.
- Watch for the hours when fatigue catches up with you.
- Note when you feel sharpest mentally.
- Record the periods in the day when you find it difficult to work.

Soon this log should enable you to pinpoint your strong and weak periods. Then you can arrange your daily routine accordingly.

"For example," Mr. Zimmerman adds, "you'll probably want to save the tough jobs for your high-energy periods, routine tasks for the low. Doldrum periods needn't be wasted if you schedule this time for assignments that almost do themselves or require little mental effort."

Proper scheduling can also ease the feeling of fatigue. H. Hamilton Weber, consultant to The Empire State Building management, says:

"Decide which tasks can be set aside temporarily

and which ones you feel you should stick with. Nothing can be so fatiguing as the nagging feeling of an unpleasant, half-finished task that is hanging over your head.

"Where there is no single, large, unpleasant job to contend with, it may pay to start one assignment, carry it through to a convenient stopping point, and then go on to something else. I find that when I return to the first job, my energy and interest are renewed." Mr. Weber adds a pertinent observation:

"Weariness and boredom are often closely allied."

Best way to rest

"Highly efficient people often appear to be human dynamos who can keep up a terrific work pace without taking any rest," says Stanley Arnold, New York marketing consultant.

"That idea is false. Research has shown that all people take rest periods—one way or another—and that the resultant energy charge-up can be highly beneficial."

Says Mr. Arnold: "The choice is not whether you should rest or not, but rather what form your rest will take and how you utilize the rest to provide a fresh spark.

"Some human dynamo types rest by slowing down a bit on routine tasks, taking a little longer than is actually necessary, so that they are resting in a fashion, although no break is apparent in the work pattern."

Pace-changing is beneficial. Whether you do this by taking a coffee break or by completely relaxing in your chair for a few minutes makes little difference. In fact, you don't have to be totally relaxed in order to rest, Charles Levinson, president, Steelcraft Manufacturing Co., maintains.

"Just getting away from my desk from time to time is enough to make me feel refreshed," he says. This jibes with heart research findings which indicate that the recovery rate among first coronaries is most favorable for men who do not stay chained to their desks.

"The important thing," stresses Mr. Levinson, "is to dovetail rest periods with your over-all work schedule so that you take your rest at the point where your energy has started to drop off."

False notions about fatigue

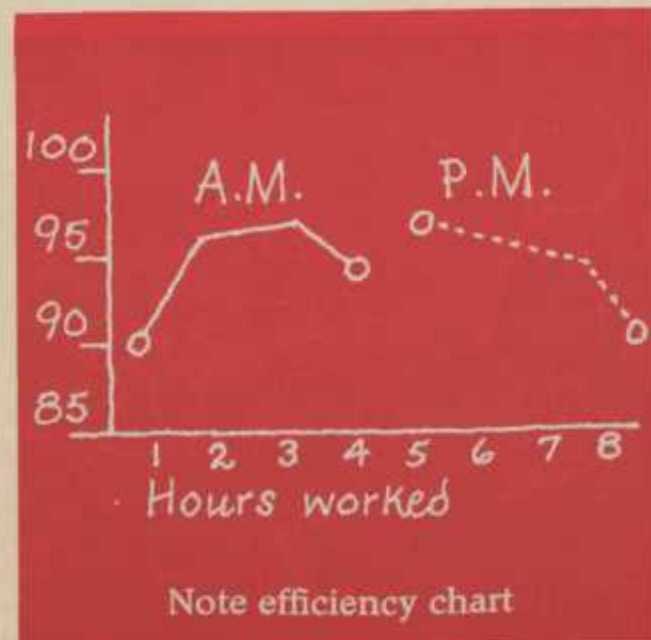
Many popular ideas about the cause of fatigue have turned out to be false. Perhaps some of these misconceptions have affected your work activity. Check these ideas:

- The longer the workweek, the bigger volume of work you are able to turn out.

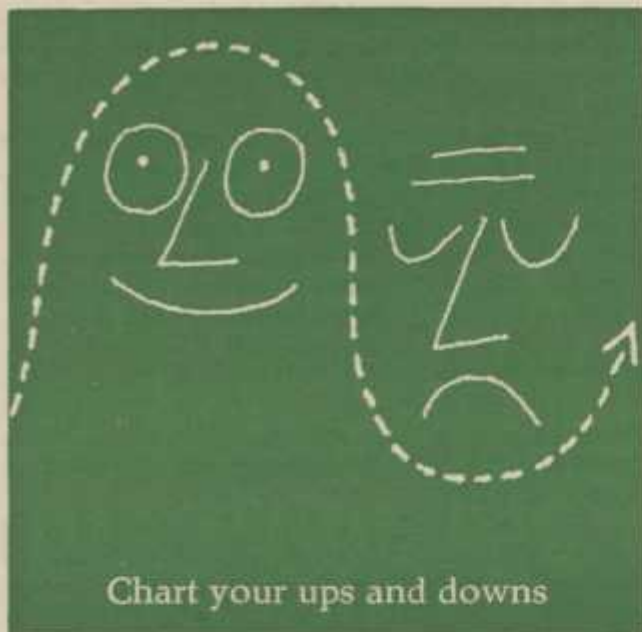
William K. Hodson, president of the international consulting firm of H. B. Maynard & Co., Inc., cites research conducted in a munitions plant which proves this statement to be wrong. When the workweek in the plant was gradually cut back from 70 hours, worker productivity began to rise so that the increase in output per hour just about balanced the decrease in total hours worked.

Of course, this process of reducing the workweek could not be continued indefinitely and still hold output constant.

The most effective workweek in terms of total output



DRAWING BY CHARLES DOWN



appears to be 48-54 hours. But for any one individual, the high efficiency work span may be entirely different. Study yourself. Determine what number of hours on the job leaves you feeling most comfortable—and, of course, most productive.

- Stale air causes headaches, irritation and fatigue.

Surprisingly, this was proven false in experiments conducted by the New York State Ventilation Commission. People were confined in an airtight chamber filled with stale air. They complained of lassitude, headaches and similar symptoms.

On the other hand, people outside the chamber who breathed the stale air piped to them from inside the chamber showed no ill effects.

Conclusion: Stale air is harmful only when it is not circulating and interferes with the regulation of body temperature. Fatigue and other ill effects caused by stale air disappear when that same air is circulated.

- The major cause of eye fatigue is overuse of the eyes.

Not overuse but misuse of the eyes is the chief cause of eye weariness, say the lighting engineers and they make these recommendations:

Aim at uniform illumination. Uneven lighting on your desk, either glare or shadow, appreciably lessens the time you can use your eyes without feeling strain.

Consider your whole visual field. Your eyes must adjust not only to your work, but to nearby walls and windows. The lighter the color of your walls, the greater the light reflection and the more even the lighting.

Watch the intensity of your light. Several studies show that efficiency improves with greater light intensity—up to the glare point.

- The man who is tired is probably overworked.

In most cases, this statement is a half-truth. Comments Stephen Fedor, vice president, Seiko Time Corp.:

"Environmental conditions may be part of the cause. Or it may be a case of emotional fatigue. A man besieged by home troubles, differences with a

colleague or superior, or a particularly unpleasant assignment, can be tired without ever lifting a finger.

"If the problem is emotional, the only way the man can find relief is to quit worrying. He must realize that worry doesn't alleviate the basic problem and can only impair his physical health."

For the problem of worry, and the emotional drag it creates, W. F. Rockwell, Jr., president and chief executive officer, Rockwell-Standard Corp., suggests:

"One of the best ways to get rid of a substantial part of managerial worry is to dispose of the problems that bug you most. Tackle them one at a time. If you can't solve a problem yourself, find someone who can."

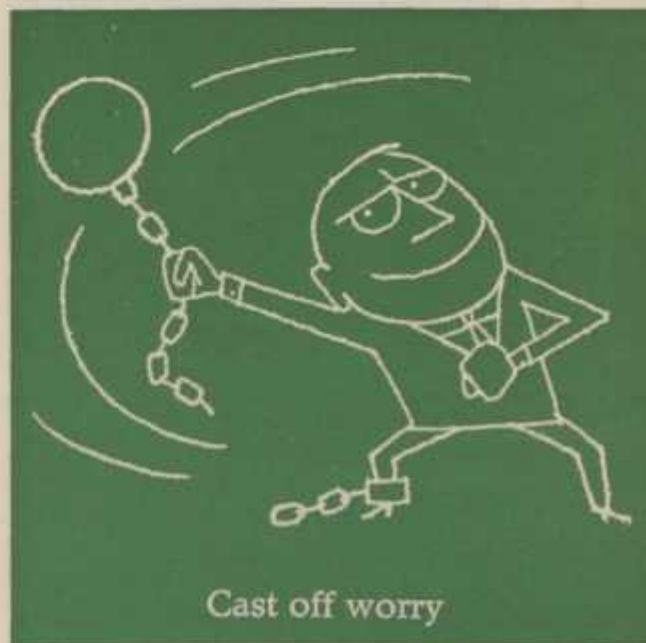
If weariness is due to physical causes, one's immediate surroundings cannot be ruled out. Muscular fatigue can be caused by a desk or chair that is not the right height, resulting in a cramped, uncomfortable posture.

Ill-fitting clothes can be other sources of fatigue. A tight belt might help hold in the waistline, but it won't help efficiency if it is cutting down on circulation and breathing.

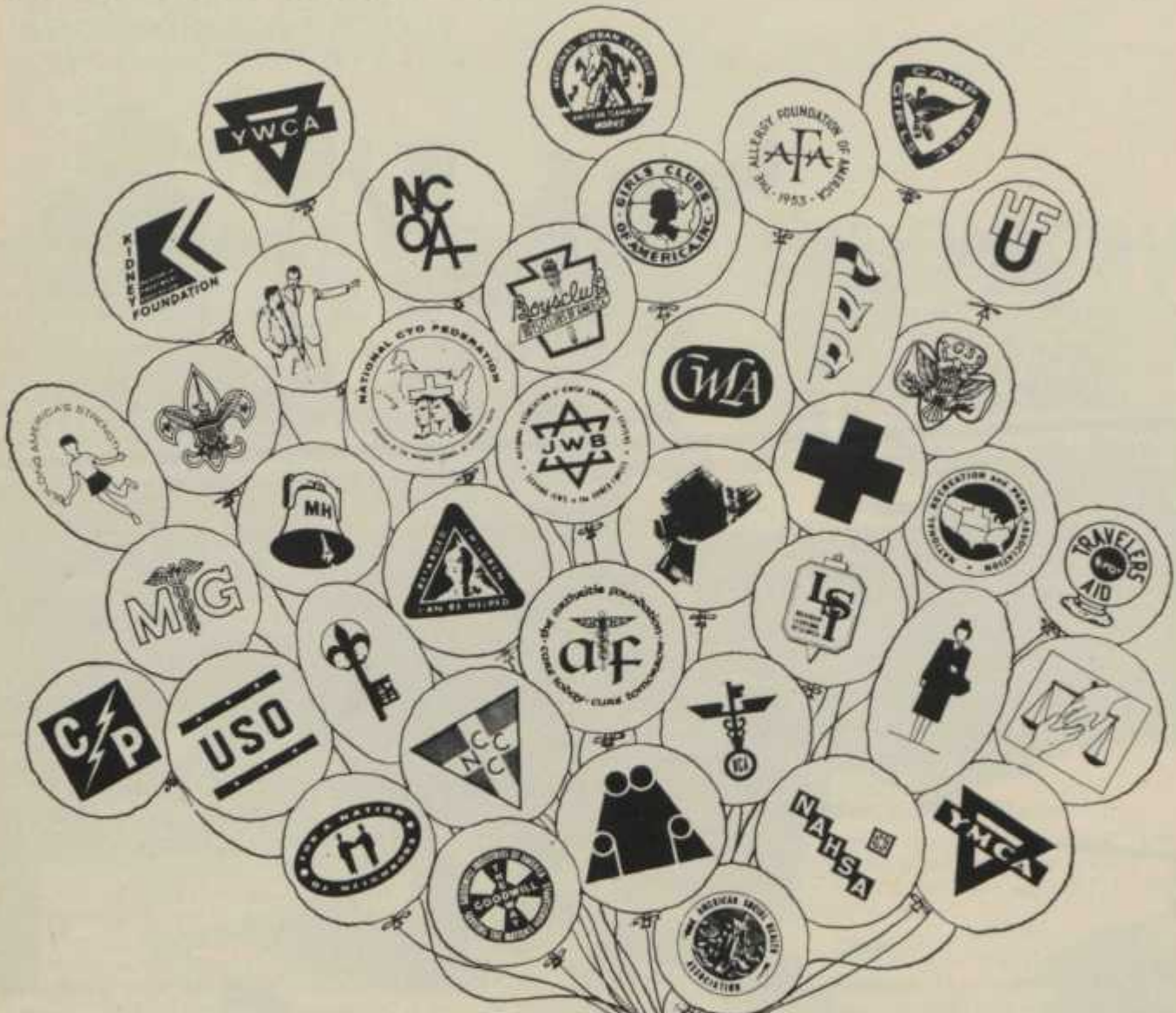
Of course, it's unwise to neglect the value of a change of scene—vacations that refresh both the spirit and the physical person—to replenish your energy. The man who feels tired may really be "tired of it all." He's calling for new emotional as well as physical landscapes.

And finally, a lesson that most executives have learned well should be recalled. Maintaining one's general health level is basic. A periodic medical check-up can minimize the threats to health—and physical energy—posed by ailments that can be spotted and treated before they become a drain.—AUREN UHS

REPRINTS of "Get Rid of That Run-down Feeling" may be obtained from *Nation's Business*, 1615 H St. N. W., Washington, D. C. 20006. Price 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.



Pulling together for a better community for you, your family, your neighbor—the United Way. You can help all these services when you make your fair share gift to your United Fund or Community Chest. You can be glad you gave your fair share, the United Way, because your one gift is working wonders all year round. These are some of the agencies providing services day in and day out for the young and old, the friendless, the person who needs help now, members of the Armed Forces. It is you, and all the others who give the United Way, who make possible the wonders of these community services.



How many of the United Way agencies can you match with their symbols?



Allergy Foundation of America
American Red Cross
American Social Health Association
The Arthritis Foundation
Big Brothers of America
Boys Scouts of America
Boys' Clubs
Camp Fire Girls

Catholic Charities
Child Welfare League of America
Florence Crittenton Association of America
Family Service
Girl Scouts
Girls Clubs
Goodwill Industries
Jewish Community Centers
Leukemia Society

Myasthenia Gravis Foundation
National Association of Hearing & Speech Agencies
National Association for Mental Health
National Association for Retarded Children, Inc.
National Council on the Aging
National Council on Alcoholism
National Council of Catholic Youth
National Federation of Settlements and Neighborhood Centers
National Foundation for Neuromuscular Diseases

National Kidney Foundation
National Legal Aid and Defender Association
National Recreation and Park Association
National Urban League
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United Service Organizations
Visiting Nurse Services
Young Men's Christian Association
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27 million families benefit by child care, family service, youth guidance, health programs, disaster relief and services for the Armed Forces from 31,000 United Way agencies.



PHOTO: WERNER WOLFF-BLACK STAR

Although it's a familiar story to you, many of your employees have only a foggy idea of how this powerful, efficient, private competitive system of ours works. To improve and broaden public understanding of our private business system, the Chamber of Commerce of the United States has developed a new study course.

It's called "Understanding Economics."

This article is the third of a series based on "Understanding Economics," and tells how our banks, such as the one shown above, help create money.

WHAT YOUR PEOPLE SHOULD KNOW ABOUT OUR BUSINESS SYSTEM

How we manage our money

Will Rogers once said that the three greatest inventions were fire, the wheel and central banking.

Practically every basic commodity known to man—including cattle, from which the term "pecuniary" is derived—has been used at one time or another as a medium of exchange.

This is the principal function of money. People do not desire money for its own sake. They want it for what it will bring in exchange.

But we may not wish to spend our money just now. If we save some of it for later use, it is serving a second purpose—as a store of value.

Also, if we borrow or lend money for future repayment with interest, money is serving as a standard of deferred payment.

Finally, the keeping of business records, especially books of account, requires expressing the values of many things: Income, expenses, profits, assets, liabilities and owners' equity. This gives money its fourth use—as a unit of account.

There are three principal kinds of money in the United States today: Coin, currency and demand deposits.

Demand deposits, which are intangible and invisible, make up over three quarters of our money. These demand deposits, or checkbook money, are created not by the government but by our private banking system, subject to government regulation.

Not all banks carry checking accounts. Those that do are called commercial banks.

There are two ways in which de-

mand deposits payable by check come into being.

The first way is widely recognized—by an actual physical transfer of cash or a negotiated check through the bank teller's window.

The second way is not so generally understood—by the bank's crediting to the depositor's account the amount of a loan made to him. This second way is how the commercial banking system literally creates money.

How banks create money

An illustration will make this clear.

Suppose your bank has demand deposits payable of \$10 million. Does it maintain cash reserves of that amount as an asset backing for this liability? No.

Why not? It doesn't have to—either as a legal requirement or as a practical necessity. If it is subject to the legal reserve requirements of the Federal Reserve system, it must maintain on deposit with the Federal Reserve Bank of its district about 15 per cent of its own deposit liabilities.

In the present example, its legal reserve will amount to \$1.5 million and any additional cash on hand can serve as the basis for loans to the public on which the bank can earn an interest income.

What is the secret of this power in the banking system? The answer is in two parts.

First of all, the fact that ours is a fractional reserve system. If banks were required to maintain 100 per cent cash reserves against deposit liabilities, there would be

no excess cash to support loans, and the banks would be nothing more than storehouses for cash.

In the second place, the habits and customs of the public in accepting and using checkbook money (demand deposits) as a medium of exchange gives the banks confidence that for the most part exchanges of money between buyers and sellers of goods and services will be accomplished mainly through debits (decreases) and credits (increases) to demand deposit accounts at banks rather than involve the use of cash.

What central banks do

How does a central bank (sometimes called a "banker's bank") fit into the banking system? In three main ways:

1. Through it, the government provides a means of expediting the clearance of checks and providing currency and coin on a nationwide basis.

2. The central bank sets up and administers uniform standards of bank performance, thereby protecting the public from bank mismanagement and failure.

3. Operating through the central bank the government can "lean against the prevailing winds" of inflation or deflation. It can try to curb excessive bank lending when inflation threatens and to encourage bank lending when deflation is the danger.

This is done by controlling the amount of excess cash in the banking system. The central bank has available powers to influence credit.

Although commercial banks are

????????? ?????????? ?????????? decisions decisions

It's easy to make a decision—but making the right decision can be tough—especially if you're short on facts or experience.

Fortunately, you don't have to go it alone or make business decisions by guess or by gosh. You can get the facts you need from your trade or professional association. It has expert knowledge in numerous areas, including education, research, public relations, marketing, or industry practices.

Decide today to join the trade or professional association serving your field. It will be an easy decision—the right one.

POINTERS FOR PROGRESS

through trade and professional associations

HOW WE MANAGE OUR MONEY *continued*

the only kind that can create deposit money by expanding loans or destroy it (by contracting loans), there are many other kinds of financial institutions. Some, like savings and loan associations, have grown in size enormously as the mortgage market mushroomed.

In the same way, the great expansion of automobile and durable consumer goods financing stimulated the growth of sales finance companies.

In contrast to commercial banks with their power to change the money supply, financial intermediaries, although lacking this power, move money around with considerable dispatch and in huge quantities from geographic areas of credit surplus to areas of deficit.

Why money values change

As far back as the writings of John Locke, the famous Seventeenth Century English philosopher and economist, and even earlier, thoughtful people have been curious about the reasons for changes in the value of money.

A prevalent view, and one that persists to this day, is that if the quantity of money increases, this will bring about a proportionate rise in prices (fall in money's value), and if the quantity of money decreases, it will cause prices in general to fall proportionately.

This is called the quantity theory of money.

But the value of money, like the value of anything else traded, will rise if the demand for it is stronger than supply. Its value will decline if its supply is stronger than its demand.

Congress passed the Federal Reserve Act in 1913 to provide a source of additional reserves for banks and make those reserves available when consistent with national economic policy.

Over the years, the economic goals have changed from "meeting the legitimate credit needs of business" to stabilizing the value of money and, currently, to providing a money supply adequate to the needs of growth without inflation or deflation and with maximum employment.

These goals are broadly enough defined to avoid tying the Fed's hands. Such would, of course, be the case if it were required by law to stabilize a particular price level. In fact, the Fed has always resisted

being tied down to a specific goal of this kind.

The depression of the 1930's brought amendments to the Federal Reserve Act. Essentially, these amendments centralized control of the system in the Board of Governors and created the Federal Open Market Committee, which has become the most important unit in the Fed to set and implement monetary policy.

The Fed's operations

Here is how open-market operations work. Suppose the central bank wishes to add to the money supply because it believes the economy needs more money. The Federal Open Market Committee composed of the Board of Governors and five Reserve Bank Presidents, will decide to buy government securities for the system's account and will issue a directive to this effect to the New York Reserve Bank, its agent for this purpose.

The corresponding change in the commercial banks will be that banks' reserves go up.

The reason is that when the FOMC buys securities in the open market from commercial banks as a group, it will pay by checks drawn on itself. When the checks are deposited in the Fed by the banks, the Fed will credit their reserve accounts. (By law, commercial bank deposit balances at the central bank count as legal reserves.)

Since the commercial banking system can expand deposit credit to a multiple of any increment in re-

serves, if the legal reserve ratio is 20 per cent (one fifth), the banking system will be able to expand its loans and deposit-money creation by five times the increase in uncommitted reserves.

Just the opposite will occur if the Fed sells government securities in the open market, since bank reserves will then be destroyed rather than created.

Although open-market operations are by far the most important Federal Reserve instrument of monetary policy, it has two others:

- Changes in the interest rate charged member banks that borrow reserves from it.
- Changes in the required reserve ratio.

Our gold stock shrinks

Although gold is still important today, it is no exaggeration to say that gold has been pushed out of sight in our domestic monetary arrangements.

However, it is still quite visible as international money. The Treasury holds our monetary gold stock. The Federal Reserve banks merely hold certificates representing the gold that they have turned over to the Treasury as required by law.

The Treasury, to maintain the international gold value of the dollar, stands ready to buy or sell gold in unlimited amounts in dealings with foreign governments, at \$35 per ounce.

Balance of payments deficits have caused us to lose gold to foreign governments. As a result, our

monetary gold stock, which grew from \$17.5 billion in 1939 to \$22.9 billion in 1950, has dropped since the late 1950's.

This has been the consequence of increased claims of foreigners upon us, due to our various international grants and loans, investment by American firms in foreign countries, rising expenditures by Americans on foreign goods and, especially, services such as tourism and shipping.

It is significant that the mounting public concern about our balance of payments problem since 1959 has focused on the attendant loss of gold—mostly to Europe. This indicates the popular belief that gold is the ultimate money substance in our monetary system.

Switch to government bonds

This is true so far as our international economic relations are concerned; but it is only partially true with respect to our domestic monetary system. Remember, the Fed legally needs to hold only 25 per cent of its reserves behind Federal Reserve notes in gold. The remaining 75 per cent can consist of government securities. It need not hold gold against its deposit liabilities. At present its gold reserves or "cover" equals about 36 per cent of its Federal Reserve note liabilities.

This means that as gold "leaks" out of our monetary system, the Fed can replace it by open-market purchases of government securities.

In fact, this is what has been going on in recent years. **END**

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Are America's students flunking capitalism?

BY JEFFREY ST. JOHN

"Who is John Galt?" is a question being asked by those joining one of the most remarkable and growing cultural revolutions among America's young.

John Galt is the idealized man and the dynamic hero in the best-selling novel "Atlas Shrugged," which nine years after its publication continues to sell between 100,000 and 200,000 copies annually for its author, Ayn Rand. Not since her earlier best-selling work, "The Fountainhead," has a novel, and its creator, been so widely discussed and debated among young people both at home and abroad.

This development, largely unreported by the press, is in sharp contrast to the belief that the political left has the loyalty and allegiance of most young Americans. In fact, by all indications this columnist can discern, the "Objectivist" movement (as Ayn Rand titles it) among young Americans is a serious intellectual, philosophical challenge to the political left. And her new book, "Capitalism: The Unknown Ideal," is one of the few intellectual works available to young people that presents the moral meaning and hope of capitalism in the modern age.

Ayn Rand's appeal to young people was vividly brought home during a rare personal appearance at Boston's famed Ford Hall Forum this past spring. I counted only 50 obviously over the age of 35 in the audience of 3,000. The majority were neatly turned out, intelligent-looking young people who gave Ayn Rand a standing and sustained ovation when she came onstage.

In an exclusive, lengthy interview at her Manhattan apartment, where she works and lives with her husband, Frank O'Connor, a talented artist, Ayn Rand ranged over a wide area of problems that affect young people.



Mr. St. John is a journalist and radio commentator with Radio New York Worldwide and a consultant to the Research Institute of America on youth attitudes. His column appears regularly in NATION'S BUSINESS.

Rejecting the label, "conservative," she prefers to be called "procapitalist." She maintains that young people today have no idea what capitalism is, what was its history, or its record of remarkable achievement. She charges that capitalism and businessmen have been the willing victims of smears and distortions that have part of their origins in the classrooms of the nation's colleges and universities.

"College students," she remarked, "who stand for capitalism and have accepted it are still a minority. But when a proper case is presented for capitalism—not a middle-of-the-road, Republican-apologetic case—when a proper case is given for laissez-faire capitalism, young people are enormously receptive."

She indicts American education as the major cause for undercutting the confidence and contributing to the uncertainty of young people today. "If they are taught," she remarked, "that man's mind is not valid, is not competent to grasp the facts of reality, and that certainty is impossible to man, and they are taught that in every class, they certainly lack confidence in themselves and are left in a state of intellectual helplessness."

Executives who are concerned with the crisis of corporate recruitment on the campus should consider two questions:

Does the rejection of business as a career by some students stem from the unbalanced, often biased, view they receive in the classroom on the moral meaning of capitalism.

Does not such a climate call for a reappraisal of the business community's financial support of major U. S. educational institutions?

Perhaps what is urgently needed is the creation of a fund for the establishment of a chair of economics at leading universities that would present to the students a proper and consistent case of capitalism.

As Ayn Rand wrote in "Capitalism: The Unknown Ideal":

"... it is capitalism's alleged champions who are responsible for the fact that capitalism is being destroyed without a hearing, without a trial, without any public knowledge of its principles, its nature, or its moral meaning."

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Just like they do for IBM.



FAIR WEATHER FRIENDS

Remember last year when the union boys were demanding as their right that they share in the record profits of American business?

That was when profits were up.

Since then profits have been falling off.

Funny how silent union leaders have been about wanting to share this down trend.

Nation's Business

•

July 1967

MORE THAN 800,000 SUBSCRIBERS IN BUSINESS AND INDUSTRY



Chuck Allen came to Mississippi to test-fire Apollo moon rockets.

Look what his family got in the bargain.



Charles G. Allen, former Air Force colonel with two degrees in aeronautical engineering, moved to southeast Mississippi to test-fire rockets for the Apollo moon flight.

His project: the 82-foot, 532-ton, 17,400-mph Saturn V second stage, built by North American Aviation. Scene: NASA's 140,000-acre, \$300 million Mississippi Test Facility in Hancock County. The giant rocket assemblies are barged there for performance tests before going to the Cape—and out of this world.

The Allens came to Gulfport via California, Manila, Tokyo and other exotic addresses. But, now it's Mississippi—for keeps. "Wonderful living," say Chuck and Virginia Allen. "When we retire, we'll be right here."

They cite advantages like year-round water fun with children Brett, Tony and Maureen. Fine universities. Cultural attractions...like the beautiful Gulfport library (left).

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